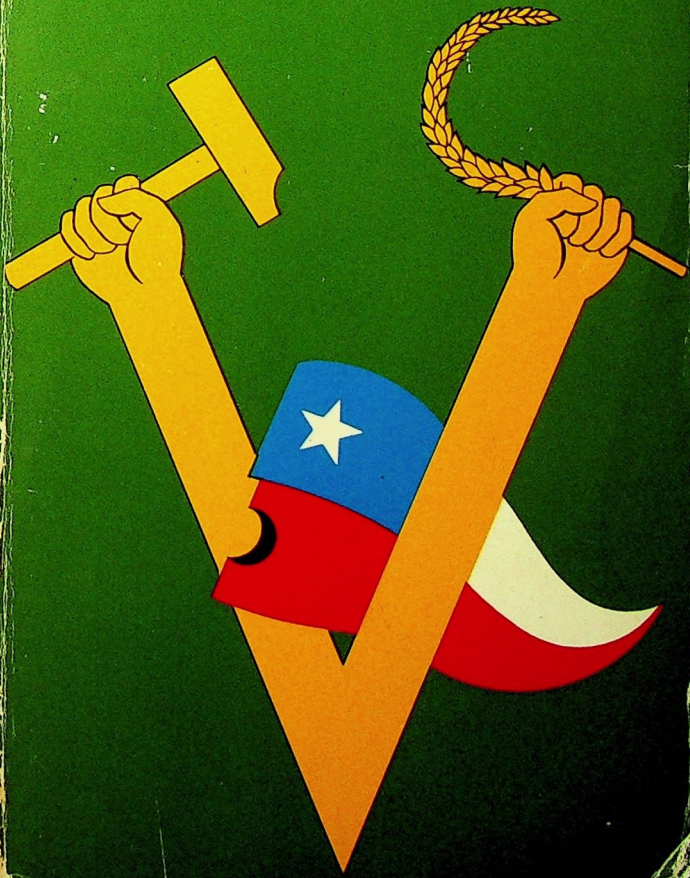
Chile's Road to Socialism

Salvador Allende



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General Editor: Richard Gott

Chile's Road to Socialism

Salvador Allende was born in Valparaiso in 1908, the son of a lawyer. In 1926 he entered the School of Medicine in the University of Chile. While a student he became involved in politics and in 1931 took part in the street rioting which led to the fall of President Carlos Ibañez. When Colonel Marmaduke Grove set up the short-lived Socialist Republic in Chile, Allende was a house doctor in a hospital in Valparaiso. After the fall of the Republic he was arrested and prosecuted, but after five trails was released, absolved of all charges. He was a founder of the Chilean Socialist Party in 1933 and in 1937 was elected as deputy for Quillotin and Valparaiso. In 1938 he became the chief organizer in Valparaiso of the campaign to elect Aguirre Cerda, the Popular Front candidate, to the Presidency. In 1939 he became, for a brief time, Minister of Health in Cerda's government. He sat in the Senate from 1945 to 1970 and was Vice-President of the Senate for five years and President for two. He became Secretary-General of the Socialist Party in 1943 and stood unsuccessfully for President in 1952, 1958 and 1964. In 1970 he was elected President at the head of a broadly based Popular Front Coalition.

He died in the Presidential Palace in Santiago in September 1973 when the Chilean armed forces overthrew his government and the constitution.

Chile's Road to Socialism

Salvador Allende

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Editorial Note

During the first six months of his presidency Salvador Allende set out in his public speeches the principles which have guided the government of Unidad Popular in its efforts to overcome the capitalist system and in making possible Chile's advance on the road to socialism.

What follows here is a selection of plans and ideas taken from his programme, expressed primarily in his Inaugural Address, 5 November 1970; in his speech to the fourteenth annual session of the Economic Commission for Latin America, 27 April 1971; and in his first Annual Message to Congress, 21 May 1971.

In order to give a more complete picture of the policies of Unidad Popular, extracts from unprepared statements made to widely differing groups of listeners have been included, in which President Allende discusses some of the problems of internal organization and of foreign policy. The collection begins with the programme formulated in 1969 by the co-ordinating committee of Unidad Popular.

JOAN E. GARCES
Santiago, May 1971

Introduction

In most of the world, where exploitation and dependence are the rule, the illiteracy of the population gives a significance to political speeches that they have all but lost in the industrialized, privileged part of the globe. More than anyone else, the politician in the developing world has to think on his feet. He may have to convince a hostile crowd, or give voice to the hopes of a sympathetic one. He will be called upon to assuage the fears of powerful minorities, to cajole, explain and teach. The task of a president or prime minister is not confined to settling disputes within his cabinet; he must be out talking to the strikers if he wants a settlement; he must offer peasant farmers personal assurances that their hopes of credit are not in vain; and, while remaining in touch with the peasants and workers, he must also be able to communicate with the students and intellectuals and to voice their aspirations. And wherever he goes, talking to mass demonstrations or to tiny groups, the microphone will pursue him. His words, designed for the many or the few, will relentlessly be repeated in peasant hut or urban slum.

In the demagogic atmosphere of Latin American politics, much political oratory has degenerated into the mere reiteration of classical formulae. Form is everything, the content stands for little. Fidel Castro alone has the power to stand at the rostrum, hour after hour, and hold his audience spell-

bound. His words are the cement that holds revolutionary Cuba together.

Salvador Allende is no Fidel. He is a conscientious and competent performer, but no one could claim that he has captured the magic and sparkle of the Cuban leader. Nevertheless, like Fidel he is a socialist and an authentic nationalist. His sober way of expressing himself accords well with his country's needs and desires. His voice is the voice of the Unidad Popular – the Popular Unity coalition that chose him as their presidential candidate – and without him that unity would fast evaporate. As Fidel personifies the Cuban Revolution, so, in his very different way, Salvador Allende personifies Chile's road to socialism.

And what an amazing road it is! Allende's election as President of Chile in 1970 was certainly the most positive event in the continent since the victory of the Cuban guerrillas a decade earlier. For the first time in more than ten years Latin America was faced with a real challenge to the increasingly intolerable *status quo*. Five years before it would have been almost inconceivable for Allende to have taken power. In 1965 President Johnson sent the Marines to Santo Domingo to rescue the island from the hands of half a hundred Communists. What would he not have done in Chile, where Communist Party members are numbered in tens of thousands and where the political spectrum continues far to the left of the Communists?

In 1964, when Allende was the presidential candidate of a more narrowly based alliance of Communists and Socialists, the United States – through both government and private enterprise – raised very large sums of money to support the campaign of his opponent, the Christian Democrat Eduardo Frei. Allende lost then, as he had lost before, in 1958 and 1952. But in 1970, with a broadly based coalition of Socialists, Communists, Radicals and left-wing Christians, he was finally triumphant, narrowly defeating the right-wing candi-

date, ex-President Jorge Alessandri, and soundly trouncing the Christian Democrat candidate, Radomiro Tomic.

Allende was born into Chile's professional middle classes on 26 July 1908 in the then prosperous port of Valparaiso. He was the nephew of Ramon Allende, the organizer of the Chilean army's medical services during the War of the Pacific, and there never seemed much question but that Salvador would follow in his uncle's footsteps. At the age of eighteen he entered the school of medicine at the university. There he soon became a student leader. 'The medical students were traditionally the most advanced,' Allende told Régis Debray during the long discussions which they held early in 1971. 'We lived in a very humble district, we practically lived with the people, most of us were from the provinces and those of us living in the same hostel used to meet at night for readings of *Das Kapital*, and Lenin, and also Trotsky.'

Allende's political activities were a considerable hindrance to his early medical career, but by June 1932 – the moment when Colonel Marmaduke Grove set up a Socialist Republic in Chile which lasted a hundred days – he was established as a house doctor in a hospital in Valparaiso. Chile, like most countries in the colonial or dependent world, suffered severely during the Great Depression, and the economic collapse had major repercussions in the political sphere. Chile oscillated violently between constitutional rule, dictatorship and socialist revolution. The revolution of 1932 was short-lived, but Allende – who was related by marriage to its chief instigator, Marmaduke Grove – was its firm supporter and he found himself briefly in prison when the Socialist Republic came to an end.

The following year, when four or five small socialist groups decided to amalgamate to form the Chilean Socialist Party, Allende was of their number. From the very beginning the Party was characterized by its emphasis on nationalism. 'When we founded the Socialist Party,' Allende told Debray,

'the Communist Party already existed, but we analysed the situation in Chile, and we believed that there was a place for a party which, while holding similar views in terms of philosophy and doctrine – a Marxist approach to the interpretation of history – would be a party free of ties of an international nature.' In its forty-year life the Chilean Socialist Party has undergone many changes and countless scissions, but it has always kept its distance from the Communist Party. In its international relations it has always felt most close to the odd man out in the Communist world – supporting at appropriate moments the right of Yugoslavia, China, Cuba or Romania to take its own chosen path.

The Socialist Party, together with the Communists and the Radicals, was a supporter in the 1930s of the concept of the Popular Front, and Allende became the chief organizer in Valparaiso in 1938 of the campaign to secure the presidency for the Popular Front candidate, the Radical leader Pedro Aguirre Cerda. The previous year Allende had made his first appearance in the Congress, as the deputy for Valparaiso. Aguirre Cerda became President of Chile in 1938, and, although he died after only three years in office, his presidency was a major landmark in Chile's economic and political history. Marxists took part in government and the state was accorded an important role in economic development. Allende himself was appointed Minister of Health in 1939, though his period in office was brief.

For the next thirty years Allende was out of government, but he was never for a moment uninvolved in the development of Chilean politics. He sat in the Senate from 1945 to 1970, representing at different times the most diverse areas of the country, from Antofagasta in the north to Magallanes in the south. He was Vice-President of the Senate for five years, and President for two. He became Secretary-General of the Socialist Party in 1943 after one of its periodic splits, and the party's presidential candidate after another in 1952. He lost

to Carlos Ibañez in 1952, to Jorge Alessandri in 1958 and to Eduardo Frei in 1964. Many people thought that his defeat in 1964 would mark his political eclipse, but Allende came bounding back into the limelight in 1969–70, the only national figure capable of uniting the argumentative and opinionated Chilean left.

Allende's political strength lies in his considerable personal popularity throughout the country and in the exceptional clarity of his political thought. He is not an intellectual in the way that Castro is, who dreams up utopian ideas and rehearses them openly before half a million people. By contrast, Allende's political views are relatively simple and unsophisticated. But his transparent honesty and dedication throughout the years in reiterating the socialist message have had their reward in the growing sense of solidarity that Chileans from all parts of the country have with their *compañero presidente.*

Few of the ideas in these speeches originated with Allende himself. He makes no claim to be an original thinker. What makes him interesting is his ability to absorb ideas and to retail them convincingly. He is no simple seeker after power for its own sake. He has not sought power at all cost, but unity – unity of all people in Chile who want to see progressive changes in the country. 'I have always said that I am not a caudillo,' he tells trade unionists, 'nor a messianic figure, nor a man sent by providence. I am a militant socialist who realized that only in unity lay a hope of victory for the people.'

Allende's pursuit of unity has taken him at times into strange places – into discussions with the Christian Democrat opposition and into the barracks to discover generals suited for political office. But his search for unity, rooted principally in the often uneasy alliance between the Communists and the Socialists, is guided by an overwhelming desire to bring socialism to Chile without the disaster of a civil war. In his very first speech as President he reiterates that he will not be

another Balmaceda, and it is a theme to which he often returns.

There is a popular but false notion that Chile has a tradition of unbroken 'democracy'. In fact its history has been charted by constitutional upheavals, wars of aggression and extermination, and *coups d'état*, just like other Latin American countries – if perhaps to a lesser extent. In 1891 there was a civil war. José Manuel Balmaceda, a liberal president representing newly enfranchised progressive elements in the population favourable to state intervention, came into conflict with the Congress dominated by the old *laisser-faire* free-trading agrarian oligarchy, and war broke out. The army supported Balmaceda, and most of the navy backed the rebellious Congress. After nearly seven months, Balmaceda had to admit defeat. He asked for asylum in the Argentine embassy and committed suicide there on 19 September 1891.

Allende has no desire to emulate the fate of Balmaceda, and yet, though it would be foolish to overestimate the similarities between the two presidents, eighty years apart, it is not difficult to find parallels. Allende, like Balmaceda, has tried to introduce reforms in the face of interests that are numerically weak but economically powerful, and in the teeth of Congressional opposition. If civil war were to break out today, as in 1891, the armed forces would again be divided, and Allende, too, would probably lose. The extreme left and the extreme right in today's Chile are shaping up for battle; the latter feel they will soon have nothing to lose, the former that they have everything to win.

Allende has set himself a Herculean task, persuading the right not to try and the left to stay its hand awhile. There is no doubt that a substantial percentage of Allende's own Socialist Party is sympathetic to the aims of the Movimiento de Izquierda Revolucionaria – the Movement of the Revolutionary Left (MIR) – that exists to the left and beyond the framework of the Unidad Popular. But these socialists are

reluctant to embrace the doctrine of the armed struggle which has become so pervasive in other countries of the continent, notably in neighbouring Argentina and in Uruguay, for the simple reason that they believe that – given the forces that exist at present – they would lose. In these circumstances the Chilean Communist Party, which like other such parties in the continent has resolutely opposed the concept of revolutionary violence at least since the mid 1960s, has proved to be an important moderating – some would say conservative – influence within the Unidad Popular coalition.

The policy of Allende's government is set out here in the programme of the Unidad Popular that was drawn up in the year before the election of 1970. It is certainly a radical document, but in the late twentieth century it can hardly be described as revolutionary. It proposes the drawing-up of a new constitution that will permit the replacement of Congress by a People's Assembly, and the reform of the judiciary. In the economic sector it calls for a new emphasis on planning and an end to 'the power of monopoly capitalism'. This is to involve bringing into the hands of the state such key areas as mining, banking, communications, distribution and foreign trade. In addition, the programme promised an accelerated land reform.

Yet even this reformist, if far-reaching, programme provoked not just opposition, but subversion and sabotage. The Army Commander-in-Chief, General René Schneider, an open-minded man of progressive views, was assassinated in an attempt to prevent Allende's election by the people being endorsed by Congress.

Large American corporations, like the now infamous International Telegraph and Telephones, sought desperately to find Chileans willing to assist them in their nefarious plans. And some of the principal institutions of Chile, notably the Congress and the judiciary, stood firmly on the side of the existing power holders, with the landlords against the pea-

sants, with the industrialists against the workers. The vast bulk of press and radio also stood in opposition to Allende's government and its plans. Only when expropriating the American-owned copper mines was Allende able to secure the unity of the entire nation. Yet that simple and essential act, backed unreservedly by the Chilean people, brought him into untold trouble with the United States.

Although the 1970 election gave Allende the considerable powers of leverage, patronage and control that the office of President bestows on the incumbent under the Chilean Constitution, the parties of the Unidad Popular had no majority either in the Senate or the Chamber of Deputies, and therefore no possibility of legislating for its reforms. Allende himself was elected by Congress with the votes of the Christian Democrats, and to these were added, in the case of the nationalization of copper, the votes of the right-wing National Party. But on every other occasion, the Unidad Popular has lacked a majority to pass laws to implement its programme. No other revolution has been forced to accommodate itself to the pre-revolutionary concept of legality in such a way. Of course ingenious methods of bypassing Congress were soon found. Using old legislation it was possible to accelerate the progress of expropriating the latifundia, and many industries were taken over by resurrecting archaic or forgotten decrees. The principal banks were simply bought out. But without a majority in Congress Allende has suffered from a lack of flexibility in operation which has gradually threatened to bring the whole journey along the road to socialism to an abrupt halt.

Nevertheless pessimism about the future should not blind one to what has already been achieved – and at a cost in human terms well below that normally associated with revolutionary change.

The latifundista, for example, has escaped comparatively lightly. He has survived not just with his life, but often with

a sizable chunk of his property as well. But his political power has been eroded, and his psychological grip on the peasantry through his position as lord of the manor has been loosened for all time. Barely ten years ago he reigned supreme, his right to control the fortunes of his serfs unquestioned since the days of Pedro de Valdivia. Both master and servant knew their place, and, on the rare occasions when the latter rebelled, the power of the state was at the disposal of the former to be used without restraint.

While the farm labourer lived in penury unaware of horizons beyond the farm, the landowner sent his children to Europe on the excess profits. According to a survey in 1960, the top 10,000 landowners in Chile earned more than £6,000 a year. Yet as Allende explained to the UNCTAD conference, there are still '600,000 children who, for want of proteins in the first eight months of their life, will never attain their full mental vigour'. With a cheap and unorganized labour force, a sympathetic climate and large copper revenues enabling the state to buy food from abroad, the Chilean landowner was never under any pressure to farm efficiently. For many, the farm became a country retreat away from urban cares rather than a necessary source of income.

Yet in ten years the Chilean landowner has seen his power and prestige slowly whittled away. It is now safe to say that, whatever the nature of an eventual counter-revolution, the old landed class will not benefit from it. That has gone for ever, and the stubborn resistance to change that one meets on occasion is what one would expect in the circumstances, rather than the prelude to a right-wing armed struggle against the regime. There is now a process of accelerated class struggle in the rural areas. The vast majority of the thousands of farm incidents recorded by the police since Allende came to power have been the result of labour disputes, reflecting the gradual awakening of the peasantry through the legalization of peasants' unions some years ago. The balance of power has cer-

tainly swung against the landlord, though it cannot yet be said to have moved clearly in favour of the peasant.

A successful land reform demands a state that looks benevolently on the aspirations of the peasants. The Chilean state is at present only neutral. The government is composed of many groups, each with its separate peasant faction – by no means disposed to co-operate with the others. The bureaucracy in the agrarian sector has been inherited from the old Christian Democratic regime and is often hostile to the present government's plans, while the legal system is geared to benefit the landlord and not the peasant.

Allende has passed no new agrarian legislation. His lack of a majority in Congress would prevent him from doing so even if he wanted to, but his advisers have felt that they could get by on the old land-reform law bequeathed by President Frei. The principal significant innovation in the rural sector has been the formation of peasant councils. Since the first one was set up in the province of Cautin in January 1971, more than 200 have been formed, and potentially they should be a useful instrument for giving the peasant a voice in framing policy. In practice, though, their role has never been properly defined. The political parties in Chile, either through the unions or through the state bureaucracy, have already got their instruments of control in the countryside, and are understandably reluctant to allow the peasants any real participation in politics through new and untested machinery. There is some danger in fact that the new councils may muzzle rather than encourage the peasants' enthusiasm for change that has unquestionably been aroused.

But much has been done. Using the old land-reform law, Chile has now abolished the latifundia – all farms of more than 170 acres have now been taken over. For the moment, though, these changes will not be reflected in increased production for the market. The process of expropriation has meant inevitable disruption in sowing schedules, and bank credit – switched

from the latifundistas to the peasants – shows every sign of being an irrecoverable loan. But Chile's dramatic increase in food imports – some $400 million in 1972 – is due to the redistribution of income and the consequent increase in consumption rather than to a decline in production.

The limitation imposed by using the old law can be seen by the fact that by the end of the reform process, when 50 per cent of the country's productive land will be in the hands of the state, only about 12 per cent of the rural labour force will be located there. Most of the country's peasants are not directly affected by the reform. Indeed, more than 30 per cent are smallholders with insufficient land to meet their needs – let alone to produce a surplus for the market. Eventually it seems clear that Chile – like Cuba, North Vietnam and other socialist countries – will have to pass a second agrarian reform that will affect the people rather than the land. But that will mean far-reaching changes in Chile's political structure which are not yet in sight.

In any case the rural influence on politics is now in decline. Today the Chilean *huaso* or cowboy, the rodeo and the national dance – the peasant *cueca* – continue to survive as part of the folk myth necessary to bolster up the idea the Chileans have of themselves as a sturdy peasant nation, but the statistics have for long revealed the underlying trend toward urbanization. The bulk of Chile's population now lives in the towns, and significant though the present experiments in land reform are as a potential aid to the liberation of a suppressed class, the success or failure of the Chilean revolution will not be decided in the countryside.

It is in the towns that the Unidad Popular government faces its toughest challenge, and it is there that the Christian Democrat opposition is most powerfully entrenched. The Christian Democrats represent the middle class, both the upstart immigrant entrepreneurs and the vast bulk of those who have done well for the past century out of surprise bonanzas

rather than hard work – the more traditional characteristic of a classic middle class. Nitrates, copper and more recently huge injections of foreign aid have given Chile a middle class legendary for its parasitism, lethargy – and political skill.

For the past decade this class has assembled its legions – some 30 per cent of the country – behind the banner of the Christian Democrats, who have established themselves as the single most powerful national party. Like the left-wing parties, it has a strong revolutionary rhetoric, but its grass roots are a constant brake on any left-wing rhetoric being made reality.

The principal achievement of the Christian Democrat Party has been its success in identifying the progress and development of Chile as a whole, in the eyes of most Chileans, with the needs and desires of the middle class. Thus the way forward which Chile embarked on in 1964 when the Christian Democrats came to power with their slogan of 'the non-capitalist road to development' has not been significantly changed with the new slogan of the Unidad Popular in 1970 of 'the road to socialism'.

The definition of development under both President Frei and President Allende has remained fundamentally the same: to extend the material and cultural values of the middle class to ever larger sectors of the population.

Many people within Allende's coalition would like to see a more revolutionary definition, but the fact is that six years of Christian Democracy, with its booming foreign-aided consumer society, have created a sizable antibody within Chile that has made more than half the country resistant to revolutionary socialism. If Allende had supreme power, he could forge a new revolutionary definition of development. As it is, forced to play politics within the old inherited structure, he has to prove to the electorate that he can deliver the goods better than the last man. Not new or different goods, but more of the same. Theoretically, if he can do this well enough, the electorate will reward him with a majority in Congress – and

then he would be able to pass the necessary legislation that would put Chile well and truly on the road to socialism. In practice, simple arithmetic shows that Allende and his coalition are never likely to scrape together much more than 40 per cent of the vote – creditable enough, but insufficient. Allende is something of a tactical wizard, and he rides rings round his opponents in all Congressional dealings, but he cannot escape from the fact that most of the cards are stacked against him. Nevertheless he is probably now the one man in Chile who can save the country from civil war.

RICHARD GOTT
October 1972

CHAPTER 1

The Programme of Unidad Popular

Programme approved by the Socialist Party, the Communist Party, the Radical Party, the Social Democrat Party, the Movement of Unitary Action (MAPU) and the Independent Popular Action

Santiago, 17 December 1969

The parties and movements which form the co-ordinating committee of Unidad Popular, compromising neither the philosophy nor the political character of each group, are in complete agreement with the analysis of the national situation as set out below, and with the programme of activities which is to be the basis of our joint action, and which we here present to the people for their consideration.

Chile is in a state of profound crisis. This may be seen in our economic and social stagnation, in our general poverty and in the forms of total neglect suffered on all fronts by the workers, the peasants and other exploited groups, as well as in the increasing difficulties which face clerical workers, professional people and the smaller businessmen and in the limited opportunities existing for women and young people.

Chile's problems can be solved. Our Country has great natural wealth, such as copper and other minerals, an enormous potential for hydroelectric development, great forested areas, a long sea-coast rich in marine life, agricultural land which is more than adequate, etc. What, then, has gone wrong?

What has been wrong with Chile has been a system that does not correspond to the needs of our time. Chile is a capitalist country, dependent upon imperialism and dominated by

sectors of the bourgeoisie allied to foreign capital. These sectors are unable to solve the fundamental problems of the country, problems which are derived precisely from class privileges which they will never give up voluntarily.

Furthermore, as a result of the world-wide development of capitalism, the contribution made by the national monopoly bourgeoisie to imperialism grows progressively greater, while their dependent condition further emphasizes their role of junior partner to foreign capital.

For the great majority, however, it is a hard struggle to sell their strength, their intelligence and their labour day by day, and on the whole they are deprived of the right to decide their own future.

In Chile the 'reformist' and the 'developmental' formulae applied by the Alliance for Progress and adopted by the Frei government have not succeeded in making any important changes. Basically it has been another bourgeois government in the service of national and foreign capital, whose feeble attempts at social change have disintegrated with neither grief nor glory in economic stagnation, in shortage of supplies and in the violent repression of the people. This has shown once again that reformism is incapable of solving the problems of the people.

The development of monopoly capitalism prevents the spread of democracy and encourages the use of violence against the people. The fighting spirit of the people rises as reforms collapse, and this in turn hardens the attitudes of the more reactionary sectors of the ruling class, which, in the last resort, have no other recourse but to violence.

The brutal forms of violence applied by the present state, such as the activities of the Mobile Guard,[1] the attacks upon

1. A well-equipped and specially trained élite force, about 2,000 strong, created in 1960 under President Alessandri. It gained notoriety in the repression of worker, peasant and student movements under the successive governments of Alessandri and Frei. It was dissolved by Allende immediately on assuming office.

peasants and students, and the slaughter of squatters and miners, are inseparable from the other, no less brutal forms of violence experienced by the Chilean people.

Because violence exists whenever some own luxury homes while next to them the greater part of the population lives in insanitary conditions and others do not even have a place to live; there is violence wherever food is thrown away by some, while others do not have enough to eat.

Imperialist exploitation of backward economies takes many forms: it can take the form of investment in mines (copper, iron, etc.) and in industrial activities, both in banking and in commerce; it can mean technological control that forces us to pay the highest prices for equipment, licences and patents, or North American loans which stipulate that we must buy in the United States, and with the additional clause that the purchased goods are to be transported in American boats, etc.

Let us quote a single instance: between 1952 and today the North Americans have invested $7,473,000,000 in Latin America. In the same period, they have taken $16,000,000,000 worth of profits away.

In Chile imperialism has made substantial profits, equivalent to twice the amount of capital invested in our country throughout the whole of its history.

The North American monopolies, with the complicity of bourgeois governments, have succeeded in gaining control of nearly all our copper, iron and saltpetre mines. They control our foreign trade and dictate our political economy by means of the IMF and other similar organizations. They dominate important branches of industry and of the service industries; they enjoy privileges while imposing devaluation and reducing salaries and wages. They create imbalances in our agricultural activities by drawing excess profits from their interests in agricultural and fishery concerns. They penetrate our educational systems, our culture and the media of commu-

nication. By exploiting military and political pacts they have tried to infiltrate the armed forces. Because the ruling class is an accomplice to this situation and is incapable of independent survival, it has over the last ten years increased Chile's foreign debt.

They claimed that the loans and the contracts with international bankers would improve our economic development. But the only thing that has been achieved is that today Chile has the world record for being one of the countries most in debt in proportion to the number of its inhabitants.

In Chile, government is carried out in favour of a privileged few: the big capitalists and their followers, the companies which dominate our economy and the big landowners, whose power has remained almost intact.

The owners of capital are concerned only to make money and not to meet the needs of the Chilean people. If the production and the import of expensive cars, for example, is good business, then valuable resources of our economy will be channelled into such a project, regardless of the fact that only a minute percentage of the Chilean people are in a position to buy them, and that there are far more urgent needs to be met, even in the same area: the improvement of public transport, for example, or the supply of adequate machinery for agriculture.

Chile pays a very high price to maintain the group of businessmen who control the economy, the press and the other means of communication, who manage the political system and threaten the state when it refuses to grant them favours. So that they may continue 'working', since only they can afford themselves the luxury of choosing whether to work or not, the following demands have to be met:

- they must be given all forms of aid. Big business threatens the state with a withdrawal of private investment if the aid and the guarantees they want are not granted to them.

- they are to be allowed to produce whatever they want with the money paid by all Chileans, rather than to plan according to the needs of the majority of the people.
- that they should be able to place profits in accounts in foreign banks.
- that they may sack workers who demand higher wages.
- that they may manipulate the distribution of foodstuffs with a monopoly enabling them to increase demand, raise prices and thus continue to enrich themselves at the expense of the people.

Nonetheless, a considerable number of those who produce effectively find themselves in difficulties.

Half a million families are homeless, and as many again or more live in abominable conditions, without adequate sewage, without drinking water, light or sanitation.

Neither the educational nor the medical needs of the people are sufficiently considered.

More than half of Chile's workers receive wages which are not enough to cover their minimum living needs. The effects of unemployment or of irregular work are felt in every family. Countless young people find opportunities for work both difficult and uncertain.

Imperialist capital and a privileged group of less than 10 per cent of the population monopolize half the national income. This means that of every 100 escudos that the Chilean worker produces 50 are going to line the pockets of ten oligarchs. The other 50 have to be shared among ninety Chileans from the people or the middle classes.

The rising cost of living is a torment in the homes of the people, especially for the housewife. In the last ten years, according to official figures, the cost of living has risen by almost 1,000 per cent.

This means that every day some of their salary or wages is stolen from the Chileans who work to earn their living. It is the same for retired people, or for those on pensions, for the

freelance worker, the small producer, the artisan, all of whose slender incomes are further reduced by inflation.

Alessandri and Frei assured us that they would put an end to inflation. The results are quite evident. The facts prove that inflation in Chile is caused by forces fundamentally related to the capitalist structure of our society, and not by salary increases, as successive governments have tried to claim in order to justify maintaining the system and reducing the worker's income. The big capitalist, however, can protect himself from inflation and indeed can profit from it. His properties and his capital increase in value, his construction contracts with the Treasury are adjusted accordingly and the price of his products continues to rise and always keeps ahead of any rise in salaries.

A large number of Chileans are poorly fed. According to official figures, 50 per cent of children under fifteen are undernourished. Malnutrition affects growth and impairs learning ability.

This goes to prove that the economy in general and the agricultural system in particular is unable to feed the Chilean people.

At present Chile could support a population of 30 million people, three times the size of the present population. Yet the contrary is the case: each year we have to import foodstuffs to the value of hundreds of thousands of dollars.

The big landowner is exclusively to blame for the Chilean people's lack of food. He is responsible for the backward conditions and for the poverty which characterizes the Chilean countryside. The mortality rates both for children and for adults, the illiteracy rate, the lack of housing and the insanitary conditions are infinitely worse in the country than they are in the cities. These problems have not been resolved by the inadequate land reform of the Christian Democrat government. Only the struggle of the peasant with the support of the entire people can solve these problems. The current devel-

opments in his fight for land, and the expropriation of the estates, open up new hopes for the Chilean popular movements.

Our economy is growing at a minimal pace. According to the latest figures, there has been barely a round 2 per cent increase per person per year, and since 1967 there has been no increase, in fact there has been a decrease. These are the figures put out by the government itself, by ODEPLAN.[2] This means that in 1966 every Chilean owned more goods than he does now. This also explains why the majority of the people are discontented and are seeking an alternative for our country.

The only really popular alternative, in fact the basic task which the government of the people has before it, is to end the rule of the imperialists, of the monopolies, of the landed oligarchy, and to begin the construction of socialism in Chile.

THE UNITY AND ACTION OF THE ORGANIZED PEOPLE

The growth in number of the labour force and its organization, its battle for power and awareness of its strength, reinforce and confirm the will to make profound changes, to criticize the established order and to attack its structures. In our country there are more than three million workers whose productive strength and enormous creative capacity cannot be expressed under the present system, which can only exploit and subjugate them.

These forces could mobilize with the entire people, including all who are not compromised with the reactionary interests, both national and foreign, and, in united and combative action by the immense majority, could dissolve the present structures and march forward in the great task of liberation.

The imperialists and the ruling class will oppose a united

2. Department for National Planning.

people, and will again try to deceive them. They will say that freedom is at stake, that violence will rule the land. But the popular masses are coming to believe less and less in these lies. Day by day their social mobilization grows, and now they are strengthened and supported by the union of the forces of the left.

In order to stimulate and direct the mobilization of the people of Chile for the conquest of power, we shall establish committees of Unidad Popular everywhere. They will be set up in each factory, each farm, village, office and school by militants of the movements and parties of the left, to integrate the vast numbers of Chileans who have prepared themselves for basic changes.

The committees of Unidad Popular will not be merely electoral organisms. They will be the interpreters of and spokesmen for the direct demands of the masses, and above all they will prepare themselves to execute the power of the people.

This new form of power, which Chile needs so much, must begin to take shape now wherever people organize to fight for their particular problems, and whenever people become conscious of the need to exercise it.

The system of joint action will be a permanent and dynamic method in the realization of our programme. It will be a living school for the masses and a concrete way of communicating the policies of the Unidad Popular to all levels of the people.

At a given time in the campaign the basic contents of this programme, enriched by discussion and by the contributions of the people, and by a series of direct measures from the government, will be set down in an Act to the People, as the mandate of the new government of Unidad Popular and the Front which supports it.

To support the candidate of Unidad Popular does not mean merely to vote for a man, but to declare oneself in favour of the urgent need to replace the present society, which is totally controlled by large-scale capitalists both native and foreign.

THE PROGRAMME

People's Power

The revolutionary changes which the country needs can be brought about only if the Chilean people take power into their own hands and wield it in a real and effective way. After a long series of struggles, the people of Chile have won for themselves certain freedoms and guarantees of democracy for whose preservation they should be constantly on the alert and ready to fight ceaselessly in their defence. Real power itself, however, still lies beyond their reach.

The popular and revolutionary forces have not united to fight merely in order to substitute one President of the Republic for another, nor even to replace one party by others in government, but to bring about those basic transformations which the national situation demands. These changes will be effected by transferring power from the old ruling groups to the workers, to the peasants and to progressive elements of the middle class in the city and in the country.

The triumph of the people will thus open the way for the most democratic government in the history of the country.

The problems of political structure that will concern the government are:

– to preserve and make more effective and far-reaching the democratic rights and the triumphs of the workers.

– to transform the existing institutions in order to establish a new state where power will truly belong to the workers and to the people.

THE SPREAD OF DEMOCRACY AND THE TRIUMPH OF THE WORKERS

The Unidad Popular government will guarantee the exercise of democratic rights and respect the individual and social obligations of all people. Freedom of thought and speech, the

freedom to publish and to assemble, the inviolability of residence and the right to organize and form unions will be exercised effectively with none of the restraints imposed by the present ruling class.

In order for this to take place, the trade unions and social organizations of all workers, clerks, peasants, settlers, housewives, students, professional workers, intellectuals, artisans, small businessmen or any other group of workers will be asked to contribute in their proper capacities to the decisions taken by the central power. For example in the organizations for Social Security and Insurance we shall set up an administrative body made up of their own employees, assuring them of democratic elections and of a secret ballot in their decision-making processes. The central committees and the production bodies of the institutions of the public sector must follow from the direct mandate of its employees.

In the Residents' Associations, according to the scale of their jurisdiction, the Neighbourhood Committees and other squatters' organizations will have mechanisms at their disposal to finance their operation and to enable them to participate in many aspects of their functioning. It is not however a matter simply of realizing these few examples, but of creating a new concept of society where the people will take on a real and effective role in the functioning of the state.

Likewise the Unidad Popular government guarantees to all workers the right to work and the right to strike, and to the whole people it guarantees the right to be educated and to participate in their culture. All forms of religious ideas and beliefs will be fully respected and people assured of their right to practise their faith.

All democratic rights and guarantees will be extended and social organizations will be entrusted with the real means by which these rights may be exercised. Mechanisms will be set up to enable them to act through the different levels of the state apparatus.

The Unidad Popular government will derive its authority from the support which an organized people have to offer. This is our conception of strong government, in contrast to that held by the oligarchy and the imperialists, who identify authority with the degree of coercion that may be inflicted upon a people.

The Unidad Popular government will be pluralistic: it will be composed of all revolutionary parties, movements and currents of opinion. In this way it will be a genuinely democratic, representative and coherent body.

The Unidad Popular government will respect the rights of the opposition if expressed in a legal manner.

The Unidad Popular government will begin a process of genuine administrative decentralization, which, combined with efficient and democratic planning, will eliminate bureaucratic centralization and replace it with a system in which all the state organisms will be co-ordinated.

The structure of municipal councils will be modernized, granting them a degree of authority commensurate with the plans for the co-ordination of the whole state. We shall try to transform them into the local organs of the new organizational policy, supplying them with financial assistance and sufficient means to enable them, in conjunction with the Neighbourhood Committees and with each other, to attend to the regional problems of their communities and inhabitants.

The Provincial Assemblies will also be organized along similar lines.

The police force must be reorganized so that it may not be used as a tool for repressing the people, but will, in contrast, fulfil its true object of protecting the population from anti-social acts. Police procedure is to be carried out in a humane manner, effectively guaranteeing full respect for the dignity and physical integrity of the human being. The prison system, which constitutes one of the worst blemishes of the present system, must be radically transformed with the aim of re-

generating and rehabilitating all those who have transgressed the law.

A NEW INSTITUTIONAL ORDER: THE POPULAR STATE

Political Organization

By a process of democratization at all levels, and an organized mobilization of the masses, the new structure of power will rise on new foundations.

A new political Constitution will institute the mass participation of the people in the affairs of the state.

A single state organization will be established at national, regional and local levels which will be responsible to the People's Assembly as the central organ of power.

The People's Assembly will be the single chamber in which the sovereign will of the people may be expressed to the nation. In it different currents of opinion will be able to meet and find expression.

Such a system will eradicate the evils which have been tolerated in Chile both under dictatorial presidencies and under corrupt parliaments.

Specific standards will be set down to determine and coordinate the attributes and responsibilities of the President of the Republic, of the Ministers, of the People's Assembly, of local and regional organs of power and of the political parties, in order to ensure that all legislative measures are fully operative, that the government functions efficiently and, above all, that the will of the majority is respected.

In order to ensure the proper harmony amongst the organizations that will emerge from the will of the people, and so that this will may be expressed in a coherent form, all elections shall take place together and within the same period of time.

The creation of any organism of public representation will

be brought about by universal, secret and direct suffrage of all men and women over eighteen, both civil and military, literate and illiterate.

The members of the People's Assembly and of all organisms representing the will of the people will be subject to the control of the electors by means of consultative mechanisms which will have the power to revoke the people's mandate.

There will be strict regulations which may terminate a mandate or require that a post be relinquished if a delegate or a high-ranking official behaves in any way as the agent of private interests.

The instruments of the economic and social policy of the state will create a national system for planning, they will have executive character and their purpose will be to direct, coordinate, and rationalize the activities of the state. The plans upon which they operate will have to be approved by the People's Assembly. The workers' committees will have a fundamental role in the planning system.

The regional and local organs of power of the Popular State will have authority for their geographical area and will have economic, political and social departments. Furthermore they will be able to advise and criticize superior bodies. However, the activities of the regional and local bodies must remain within the limits set down by national laws and complement the general plans for economic and social development.

There will be social organizations with specific functions at every level of the Popular State. They will be responsible for allocating duties and for developing the initiative in their particular field of action, that is, they will analyse and solve the problems lying within their competence. These requirements will not impair the full independence and autonomy of these organizations.

From the day it assumes power, the Unidad Popular government will establish channels whereby, through social organizations, the opinions and influence of the workers and of the

people may be expressed in the decision-making processes and the financing of the state administration.

These will be decisive steps towards abolishing the bureaucratic centralism which characterizes the present administration.

Organization of the Judiciary

The organization and the administration of justice should be based upon the principle of autonomy sanctioned by the Constitution, and upon genuine economic independence.

We envisage the setting-up of a Supreme Tribunal whose members will be decided on by the People's Assembly and shall have no other qualification but their inherent suitability. This Tribunal will be free to appoint the internal powers, individual or collegiate, of the judicial system.

The new organization and administration of the judiciary is meant to assist the majority classes. It will function more swiftly and be less elaborate than the present system.

Under the government of Unidad Popular a new conception of the role of the magistrature will replace the present one, which is individualistic and bourgeois.

The National Defence

The Popular State will give priority attention to the preservation of national sovereignty, a task it considers to be the duty of the whole people.

The Popular State will be alert to any threat to its territorial integrity, or to the country's independence, which might be exerted by imperialist or oligarchic groups. Such groups base themselves in neighbouring countries and, while attempting to repress their own people, encourage expansionist and revanchist ambitions on the part of foreign powers.

It will establish a modern, patriotic and popular concept of the sovereignty of the nation based upon the following criteria:

(a) The national character of all branches of the armed forces will be reinforced. In this way they may never be used to repress the people or become involved in activities provoked by alien powers.

(b) Technical training in all aspects of modern military science, as far as this is required by Chile to promote national independence, and peace and friendship among nations.

(c) Integration and participation of the armed forces in diverse aspects of the country's social life. The Popular State will study means whereby the armed forces may contribute to the economic development of the country without prejudice to their essential work of protecting the independence of the nation.

It is necessary therefore to ensure that the armed forces have proper material and technical resources; and that they have a democratic system of payment, promotion and pensions which will guarantee economic security to officers, junior officers and men during their period in the services and also in retirement. We must ensure also that promotion is obtained solely on the basis of a man's personal qualifications.

THE CONSTRUCTION OF THE NEW ECONOMY

The central objective of the policy of Unidad Popular is to replace the present economic structure and to end the power of monopoly capitalism together with that of the landowner, in order to begin the construction of socialism.

In the new economy planning will play a supremely important role. Its central organ will be at the highest administrative level and its decisions, taken in a democratic manner, will have executive character.

The Public Sector

The process of transforming the economy begins with a policy aimed at establishing a dominant public sector, composed of

firms already owned by the state and also by firms which will be expropriated. As a first step those basic natural resources will be nationalized which, like the copper, iron and the saltpetre mines, among others, are in the hands of foreign capital or internal monopolies. Thus the following will gradually be drawn into the public sector:

(1) The large-scale mining of copper, saltpetre, iodine, iron and coal.

(2) The financial system of the nation, in particular private banks and insurance companies.

(3) Foreign trade.

(4) The large distributive businesses and the monopolies.

(5) Strategic industrial monopolies.

(6) Generally those activities which affect the economic and social development of the country, such as the production and distribution of electric energy; rail, road, air and sea transport; communications; the production, refining and distribution of petrol and its derivatives, including liquefied gas; the steel, cement, petrochemical and industrial chemical industries, and the cellulose and paper manufacturing industries.

All such expropriations will be carried out with full respect for the interests of the small shareholder.

The Area of Private Property

This area refers to those sectors of industry, mining, agriculture and the services in which the means of production are held in private ownership.

These firms are in the majority. For example, in 1967, of the 30,500 industries (including artisan industries) a mere 150 controlled the monopoly of all the markets, concentrating state aid and banking credit, and exploiting the remaining industrialists in the country by selling them raw materials at a high price, and paying cheaply for their products.

The firms which comprise this area will receive aid accord-

ing to the general plan for the national economy. The state will provide the financial and technical assistance necessary to the firms in this area, so that they may fulfil the important function they have within the national economy, and will concern itself with the conditions of the people who work there as well as with their volume of production.

Furthermore, the system of patenting, customs rates, levies and taxation for these firms will be simplified and they will be guaranteed a just and proper marketing of their products. These firms will have to guarantee to their workers a right to fair wages and conditions. The state, together with the employees of these firms, will see that these rights are respected.

The Mixed Area

This will be a mixed area in that it will include businesses where state capital is combined with private capital.

The loans or credits made by the development organisms to the firms in this area will be in the form of contributions, so that the state is a partner and not a creditor. The same conditions will apply when the said firms obtain credit on the security of the state or of any of its institutions.

FURTHER EXTENSION OF LAND REFORM

Land reform has been conceived as a process which takes place simultaneously and in a manner complementary to the general changes proposed for the social, political and economic structure of the country, so that its realization will be inseparable from the rest of the general policy. Past experience in these matters, and the mistakes made, lead us to reformulate a policy for the distribution and organization of land ownership on the basis of the following points.

(1) The process of Land Reform must be accelerated. Those estates which exceed the established maximum will be expropriated, in accordance with the conditions set down for

the various zones. This includes fruit- and wine-growing areas and forest lands. The owner will not have the right to select the reserve. Expropriation may include all or part of the assets of an expropriated estate (machinery, tools, livestock, etc.).

(2) Immediate cultivation of all abandoned lands and of land belonging to the state which has been poorly developed.

(3) Expropriated lands will be organized preferably into co-operatives. Peasants will hold title deeds which will indicate their ownership of the house and land assigned to them and detail their respective rights in the indivisible estate belonging to the co-operative.

When the conditions become suitable, peasants will be given areas of land as personal property, and the organization of labour and of marketing will be developed from a basis of mutual co-operation.

Land will also be set aside for the development of state agricultural industries with modern technology.

(4) In certain cases land will be allotted to small farmers, leaseholders, part-owners, and to farm employees who are qualified to carry out agricultural work.

(5) Small estates will progressively be reorganized into more co-operative forms.

(6) Small- and medium-scale farmers will be included in the advantages and services of the co-operatives existing in their areas.

(7) The integrity of indigenous communities, whose lands have been threatened, will be protected and maintained. They will be assured of democratic government. We guarantee to the Mapuche and to other indigenous peoples that they will receive sufficient land, together with technical assistance and adequate credit facilities.

ECONOMIC DEVELOPMENT POLICY

The economic policy of the state will proceed by means of a national system of economic planning aided by the mechanisms of control, guidance, credit for production purposes, technical assistance and tariff and foreign trade policies. The growth of the state sector of the economy is also an important factor. The objectives of the policy are:

(a) To resolve the immediate problems of the great majority. To this end the productive capacity of the country will be diverted from the production of superfluous and expensive articles which appeal to the high-income groups, and redirected to the production of cheap and good-quality goods for popular consumption.

(b) To assure all Chileans of employable age work at an appropriate rate of payment. This will require the implementation of a policy to generate great activity and make adequate use of the country's resources, adapting technology to the needs of the national development.

(c) To release Chile from the domination of foreign capital. This implies expropriation of foreign capital and the implementation of a policy aimed at a greater degree of independent financing of our activities. It also means that conditions must be defined under which foreign capital may be allowed to operate, and that we must reach a higher level of independence in matters concerning technology and the transport of our goods abroad.

(d) To ensure the rapid and decentralized economic growth most likely to develop productive forces to the maximum and to make optimum use of human, natural, financial and technical resources available in order to increase productivity and to satisfy the requirements of independent development as well as to fulfil the needs and aspirations of the working population in accordance with a dignified and humane existence.

(e) To carry out a policy of foreign trade aimed at the development and diversification of our exports, which will open new markets, encourage the growth of technological and financial independence and avoid scandalous devaluations of our currency.

(f) To take the necessary measures to stabilize the currency. The struggle against inflation is decided fundamentally by the aforementioned structural changes. It should further include measures which accommodate the flow of currency to the real necessities of the market. It should control and redistribute credit and avoid usury in the exchange of money. It should rationalize distribution and trade, stabilize prices and avoid the situation where potential high wage demands cause a rise in prices.

The guarantee that these objectives will be met lies in the degree that political and economic power is held by an organized people and that this power is expressed in the public sector of the economy and in its general planning. It is this power of the people which guarantees that the tasks we have set out will be fulfilled.

SOCIAL TASKS

The social aims of the Chilean people are both legitimate and capable of fulfilment. They want for example adequate housing at rents that will not absorb their entire income; they need schools and universities for their children; adequate wages; a halt to rising prices; regular work; medical attention; lighting in the streets; sewers; drinking water; laid roads and pavements; a just and workable system of social insurance with adequate pensions; telephones; a police force; kindergartens; recreation centres; tourist facilities and public bathing establishments.

It will be the chief concern of the Unidad Popular government to meet these reasonable demands of the people, de-

mands that are in fact rights that a government should acknowledge.

The basic aims of this government will be:

(a) To define a wages policy by immediately establishing committees which, with the participation of the workers, will determine figures that represent a realistic living wage and minimum salary for the various zones of the country.

While inflation continues a law will be introduced to provide for an adjustment in wages corresponding to rises in the cost of living. These will operate every six months or each time the cost of living rises by more than 5 per cent.

In all the departments of the state and first in posts of executive status, high salaries will be limited to a figure compatible with the situation of the country.

Within a fixed period of time a system of equal pay and minimum wages will be established for equal work, regardless of what branch of industry the work is performed in. This policy will be introduced in the state-owned industries and will be extended to all areas of the economy regardless of the differences arising from varying productivity in the different industries. Likewise, all discrimination between men and women, or according to age, will be eliminated in regard to questions of pay and wages.

(b) To integrate, improve and extend social security, preserving all legitimately won gains, abolishing abuse of privilege, inefficiency and bureaucracy and improving and accelerating services to those in need. The insurance scheme will be extended to those workers who are not now covered, and the administration of the insurance schemes will be entrusted to the employees, so that these may operate in accordance with the national plan.

(c) To guarantee to the Chilean people dental and medical attention, both preventive and curative, which will be financed by the state, the employers and the insurance com-

panies. The people will be involved in the task of protecting public health.

Laboratory costs will be strictly controlled and the production of medicaments will be so rationalized as to make them available in sufficient quantities and at a low price.

(d) Sufficient funds will be made available to ensure that a broad house-building plan may be realized. The construction industry will develop under strict controls, and the growth of profits for private and mixed firms operating in this area will be limited. In urgent cases, land will be given to families in need and they will receive technical and material aid to build their houses.

The aim of the housing policy of the government of the Unidad Popular is that each family should own its own home. The system of adjustable rents will be abolished. The monthly dues or rents payable by those acquiring dwellings or leases shall not as a general rule exceed 10 per cent of the family's income.

Redevelopment of towns and villages will be continued so that low-income groups will not be forced out to the suburbs. Respect for the interests of the occupants of the developed zones as well as for those of the small businessman working there will be maintained: all inhabitants will be guaranteed a future domicile.

(e) Full civil rights will be accorded to the married woman; children born in or out of wedlock will have equal legal status. There will be adequate legislation for divorce, with annulment of the contract and with full protection for the rights of women and children.

(f) The legal distinction between labourers and employees will be abolished and the common status of worker will be introduced for both. The right to form unions will be extended to all who at present do not have such a right.

CULTURE AND EDUCATION

A New Culture for Society

The social process which will begin with the triumph of the people will gradually give rise to a new cultural attitude. This will be guided to consider human labour as the supreme value and will give expression to a national affirmation of independence, and encourage a critical approach to reality.

The profound changes which will take place will demand a people who are united and socially conscious, who are trained to exercise and defend their political power, scientifically and technically skilled to develop an economy in transition to socialism, and sensitive at all times to the creation and appreciation of the most varied expressions of art and the intellect.

If today the majority of artists and intellectuals are fighting against the cultural deformation of a capitalist society, trying to bring the fruits of their creative labour to the workers, and to join them in their historic destiny, so, in the new society, they will continue their work as the *avant-garde*. For the new culture will not arise by decree; it will emerge from the struggle for brotherhood as against individualism; from respect for human labour instead of condescension; from a sense of national values instead of cultural colonization; from the access which the mass of the people gain to art, literature and the means of communication instead of remaining commercially exploited by them.

The new state will draw the masses towards intellectual and artistic activities by means of a radically altered system of education, and a national system of popular culture. Regional Centres for Popular Culture will be set up which will encourage the masses to exercise their right to enjoy culture.

The movement for popular culture will stimulate artistic and literary creativity and will increase the channels of com-

munication between artists and writers and a public which will be immeasurably greater than the present public.

A Democratic, Comprehensive and Planned System of Education

The aims of the government are to introduce the fullest and best opportunities for education.

The fulfilment of such intentions will be achieved by the improvement of the living conditions of the workers, and by a reconsideration on a corresponding level of the responsibilities of the educators.

A National Scholarship Plan will be set up, sufficiently widely based to ensure that all the children of Chile, especially the children of the working and the peasant classes, have regular and continuous education.

The state will further develop an extraordinary plan for the establishment of educational institutions maintained by national and regional funds and organized by the basic governing bodies. Luxurious mansions will be expropriated in order to install the new educational institutions. By these measures there will be at least one comprehensive (primary and secondary) school for each rural community in the villages and one for every urban community in the cities of Chile.

In order to give proper attention to the needs of the preschool child and in order to facilitate the employment of women in productive work, there will be a rapid extension of the number of crèches and nursery schools, giving priority to the most needy sectors of society. The result of this policy will be to enable the children of the working and peasant classes to enter school more easily and to take greater advantage of a regular education.

For a new form of teaching to be effective, methods are required which lay stress on the active and critical participa-

tion of the students instead of the passive and receptive attitudes they now have to maintain.

In order to dispel the inherited cultural deficit of the present system, there will be a popular mobilization to abolish illiteracy and raise the educational standard of the adult population.

Adult education will be organized chiefly as a function of the centres of work, so that the worker may have a permanent opportunity for technical and social education.

The transformation of the educational system will not merely be the work of technical experts, but a task to be studied, discussed, decided on and executed by organizations of teachers, workers, students, parents and guardians, within the terms of a broad national plan.

Internally the educational system will be based upon the principles of unity, continuity, integration and diversification of courses.

At the executive level, the social organizations already mentioned shall be represented and co-ordinated with local and regional Councils of Education.

In order to realize our educational plan for a comprehensive, national and democratic school system, the new state will take under its responsibility all private schools, beginning with those establishments which select their pupils by reason of social class, nationality or religious persuasion. This will be accomplished by drawing into the educational system the personnel and all the other assets of the private school system.

Physical Education

Physical education and the practice of all sports from the elementary levels of the educational system throughout all the social organizations for young people and adults will receive the constant and systematic attention of the Unidad Popular government.

DEMOCRACY, AUTONOMY AND ORIENTATION OF THE UNIVERSITY

The government of Unidad Popular will lend ample support to the processes of university reform and will encourage their development.

The democratic results of these processes will form an important contribution by the universities to the revolutionary development of Chile. The restructuring of the academic functions, with regard to tutoring, research and projects concerning national problems, will in turn be inspired by the achievements of the Unidad Popular government.

The state will grant the universities sufficient funds to ensure that they function properly, and to facilitate their effective nationalization and democratization. Consequently the governing bodies of the universities will have to answer to their respective communities.

When the educational system has finally abolished class privileges, it will become possible for the children of workers to enter university, and also for adults to take up courses of higher education, either by means of special grants or by participating in sandwich courses.

MASS COMMUNICATION MEDIA

The means of communication (the radio, the press, publishing, television and the cinema) are fundamental aids to the formation of a new culture and of a new man. They should therefore be imbued with an educative spirit and freed from their commercial character. Measures should be taken to make the media available to the social organizations and to cast off the brooding presence of the monopolies.

The national system of popular culture will be particularly concerned with the development of the film industry and

with the preparation of special programmes for the mass communication media.

INTERNATIONAL POLICY OF THE UNIDAD POPULAR GOVERNMENT

Aims

The aim of the government of Unidad Popular in its international policy is to affirm the complete political and economic independence of Chile.

Relations will be maintained with all other countries regardless of their ideological or political position, based upon respect for self-determination and the interests of the people of Chile.

Links of friendship and solidarity will be established with dependent or colonized countries, especially those which are developing their struggle for liberation and independence.

A firm sense of the identity of Latin American interests, and resistance to imperialism, will be fostered by means of a foreign policy which relates to people rather than to Foreign Ministries. The new government will strongly defend the people's right to self-determination as the basic condition for friendly international relations. Its policies therefore will concentrate on a vigilant and active defence of the principle of non-intervention and the rejection of all forms of discrimination, pressure, invasion or blockade proposed by imperialist countries.

Friendly relations and exchanges with socialist countries will be fostered and maintained.

Greater National Independence

Active defence of the independence of Chile means that the present Organization of American States must be denounced as the tool and agency of North American imperialism and that we must resist any form of Pan-Americanism contained

in this organization. The government of the Unidad Popular intends to create an organization which will be truly representative of Latin American countries.

It is important to revise, denounce and cancel, depending on the circumstances, all treaties and agreements which limit our independence, in particular those treaties of reciprocal assistance and mutual aid and other similar pacts which Chile has signed with the United States.

Foreign aid and politically calculated loans, or such loans which force us to invest the borrowed sum in a manner which inhibits our national independence, or which is not in the interests of the people, will be denounced and rejected by the government. We shall also reject any foreign restrictions regarding Latin American raw materials such as copper, and the limits placed upon free trade which for so long have made it impossible to establish general commercial relations with the rest of the world.

International Solidarity

The Unidad Popular government will respond to all peoples' struggle for liberation and for the construction of socialism with real and active solidarity.

All forms of colonialism and neo-colonialism will be condemned, and the right to rebellion of people subject to such systems will be recognized.

The same policy will be maintained towards any form of economic, political and/or military aggression instigated by the imperialist powers. Chile's foreign policy must condemn North American aggression in Vietnam and salutes with profound solidarity the heroic struggle of the Vietnamese people.

Likewise, solidarity will be expressed in practical terms for the Cuban Revolution, the first in the Latin American continent to make the Revolution and to begin the construction of socialism.

The anti-imperialist struggles of the people of the Middle

East may count on the support of the Unidad Popular government. The government will also help to seek a peaceful solution in that region based upon the interests of both the Arab and the Jewish people.

All reactionary regimes which encourage or practise racial segregation or anti-semitism will be condemned.

Latin American Policy

In the sphere of Latin America the Unidad Popular government advocates an international policy which affirms the identity of Latin America before the entire world.

The integration of Latin America must take place on an economic base which has been liberated from the imperialist patterns of dependence and exploitation. An active policy of bilateral agreements will be practised, however, in matters which are beneficial to the development of Chile.

The Unidad Popular government will take action to solve current frontier problems on the basis of negotiations, in order to prevent the intrigues of imperialists and reactionaries, and with regard both to the interests of the people of Chile and to the interests of the people in countries along the borders.

The foreign policy of Chile and its diplomatic expression will dispense with all forms of bureaucratic formalism or meaningless ritual. We shall meet other nations with a twofold aim: to learn from their struggles how best to construct our own form of socialism and to offer them our experiences so that the international solidarity which we advocate will become a reality.

CHAPTER 2

The Purpose of Our Victory

Inaugural address in the National Stadium

Santiago, 5 November 1970

This is a triumph for the workers, for our long-suffering people who, for a century and a half, in the name of Independence, have been exploited by a ruling class incapable of ensuring progress. The truth, as we all know, is that backwardness, ignorance, the hunger of our people, and that of all the peoples of the Third World exist and persist because they are profitable for a few privileged groups.

But at last the day has come when we can say: *Basta!* Enough! No more! No more economic exploitation. No more social inequality. No more political oppression.

Today, inspired by our national heroes, we come together here to celebrate our victory in Chile and to mark the beginning of our liberation. The people have at last become the government. It is they who now take control of the destiny of the nation.

But what is the Chile that we inherit?

Forgive me, comrades, that on an afternoon of celebration and in front of the representatives of so many countries honouring us by their presence, I have to recall such sad affairs. But it is our duty and our right to denounce these centuries of suffering. As the President of Peru, Velasco Alvarado, has said: 'One of the great tasks of the Revolution is to break that circle of deception which has caused us all to live with our backs turned against reality.'[1]

1. Juan Velasco Alvarado took power in Peru in 1968 after a *coup*

It is time now to declare that we, the underdeveloped countries, were historically misconceived. In the time of the agrarian-mercantile civilizations, we were but colonies. Today, in urban industrial society, we are but neo-colonies. And, in the new civilization which is emerging, the threat remains that our dependence will continue.

We have been an exploited people; a people who do not exist for themselves but who exist to contribute to the prosperity of others.

What is the reason for our backwardness? Who is responsible for this underdevelopment which weighs us down?

Despite much misrepresentation and much deception the people have understood. We know well through our own experience that the real causes of our backwardness lie in the system – in this dependent capitalist system which, on the national plane, sets up needy majorities against rich minorities, and, on the international plane, sets powerful nations against the weak, where the many pay the price for prosperity for the few.

We inherit a society torn apart by social inequality; a society deeply divided into hostile classes of exploiters and exploited; a society where violence is built into the institutions themselves, condemning men to insatiable greed, to the most inhuman forms of cruelty and to indifference to the suffering of others.

We inherit a society crucified by unemployment, which forces increasing numbers of its citizens into redundancy and into the marginal existence of large groups. This is not a phenomenon of overpopulation, as some would have it, but, as these people testify by their tragic situation, of the powerlessness of the system to ensure for everyone the elementary right to work.

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d'état. His military government adopted an unexpectedly progressive and nationalist policy.

We inherit an economy crippled by inflation. Month by month it continues to lower the miserable wages of the workers. When they reach the last years of their lives, it reduces them almost to nothing. Such are the returns of a life full of privations.

Through such wounds the life of the working people of Chile bleeds away. To heal them will be a far from easy task, but we are certain to succeed. From now on the economic policy of the government will be dictated by the interests of the people.

We inherit a dependent society whose basic sources of wealth were appropriated by the internal allies of great international enterprises. The forms of our dependence are economic, technological, cultural and political.

We inherit a society whose hopes of autonomous development have been frustrated. A divided society in which the majority of families are denied the fundamental right to work, to education, to health, to recreation and even to hope for a better future.

The Chilean people have risen up against this form of existence. Our victory was gained through the conviction that only a genuinely revolutionary government could confront the might of the ruling classes and, at the same time, mobilize all Chileans for the construction of the Republic of Working People.

This is the great task which history entrusts to us. It is in order to accomplish it, workers of Chile, that I call upon you today. Only united, shoulder to shoulder, with all who love and believe in this country will we be able to overcome underdevelopment and build a new society.

We live at a historic moment: the great transformation of the political institutions of Chile; a time when, by the will of the majority, the parties and movements representing the most underprivileged sectors of the people are coming to power.

If we pause to think for a while and look back over our history, we Chileans may be proud that we were able to impose a political solution, rather than one of violence. This is a noble tradition. It is a lasting triumph. Indeed, throughout our long fight for liberation, throughout the slow and hard struggle for equality and justice, we have always preferred to resolve social conflicts by recourse to persuasion, by political action.

We Chileans abhor fratricidal struggles, but we shall never refrain from demanding the rights of the people. Our shield declares it: 'By reason or by force'.[2] But first comes reason.

This civil peace, this continuity in political processes, does not come about by chance. It is the result of our socio-economic structure, of a peculiar arrangement of social forces which our country has maintained in accordance with the nature of our development.

Already in our early days as a sovereign state, the determination of the men of Chile and the skill of their leaders enabled us to avoid civil wars. In 1845, Francisco Antonio Pinto wrote to General San Martin: 'I think that we are going to solve the problem of knowing how to be republicans and still continue to speak the Spanish language.' Since then the institutional stability of our Republic has been one of the most outstanding in Europe and America.

This republican and democratic tradition has become part of our total identity. It has taken root in the way of life of the Chilean people. Respect and tolerance for other people are among the most important cultural values that we possess.

When, within this institutional continuity and these fundamental political norms, hostility and conflict between classes arise, these are expressed in essentially political terms. Our people have never broken this pattern in our history.

2. The national emblem of Chile, adopted in 1834, is a shield with the legend inscribed on it: *Por la razón o la fuerza.*

Only the ruling class have provoked our rare civil disturbances.

It was always those in power who unleashed violence, who spilt the blood of Chilean people and diverted the natural course of the country's evolution. That is what happened when Balmaceda,[3] conscious of his duties and protecting the national interest, acted with the dignity and patriotism which posterity has accorded him. Persecution of the unions, students, intellectuals and labour groups is the violent reply of those who are protecting privilege.

Nevertheless the constant struggle of the organized popular classes has succeeded in gradually imposing the recognition of civil and social liberties, both public and individual.

This peculiar evolution of our institutions is our structural context; it is what has brought about this historic situation, where the people take over the political direction of the country.

After their struggle to overcome the capitalist system which exploits them, the masses have reached the Presidency of the Republic. They are supported by Unidad Popular and by the most precious possession our history has granted us – the preservation and respect for democratic values, the acceptance of the will of the majority.

Without abandoning their revolutionary goals, the forces of the people adapted their activities to the concrete realities of the Chilean structures, regarding setbacks and gains not as a final defeat or victory, but as a stage in the long road towards emancipation.

Without a single precedent in the world, Chile has just given extraordinary proof of its political development. It has made it possible for an anti-capitalist movement to come to power through the free exercise of citizens' rights.

3. José Manuel Balmaceda, President of Chile 1886–91, committed suicide after being defeated in a civil war unleashed by conservative and aristocratic elements in the country.

It comes to power to guide the country towards a new society, a more humane society, whose ultimate goals are the nationalization of economic activities, the progressive nationalization of the means of production and the abolition of class divisions.

From the theoretical point of view, being socialists we are very conscious of the forces and agents of historical change. I know personally, to use Engels's terms, that 'it is possible to conceive of peaceful evolution from the old society to the new in countries where the representatives of the people have concentrated in their hands all the power, where, in accordance with the constitution, anything may be done that is desired, from the moment when the majority of the people are behind one'.

So it is with Chile. Here at last Engels's vision is to be fulfilled. It is important to remember that, during the seventy days following the ballot of 4 September, the democratic strength of our country has been subjected to the most stringent tests it has ever experienced.[4] Throughout a dramatic series of events our dominant characteristic has again prevailed: differences have been resolved politically.

It must be stressed that the Christian Democrat party, too, has been aware of the historic situation and of its duty to the country.

Chile is beginning the march towards socialism without having undergone the tragic experience of a fratricidal war. It is this fact, in all its grandeur, which determines the manner in which this government will set about its task of transformation.

We are commissioned to this by the will of the people.

4. The presidential elections took place on 4 September 1970, and since Allende secured only a small number of votes more than the right wing candidate, Jorge Alessandri, he had to be confirmed as President by Congress in October. He took office on 4 November.

My government will respond to this trust by bringing the democratic tradition of our country alive.

During these seventy decisive days which have just ended, Chile and the whole world have witnessed unmistakable attempts to violate the spirit of our Constitution; to mock the will of the people; to disrupt the country's economy; and, above all, by cowardly acts of desperation, to provoke a bloody and violent conflict among our fellow citizens.

Personally I am convinced that the sacrifice of one soldier, the Commander-in-Chief of the Army, General René Schneider, has proved to be the unforseen event which has saved our country from civil war.[5]

Allow me on this solemn occasion, and in his name, to express the appreciation of our people to the armed forces, and to the Corps of Carabineros,[6] who have remained loyal to the Constitution and to the rule of law.

This outrageous event, which will be registered in history as a civil war in disguise, lasted only a day, but it demonstrated once more the criminal madness of desperate men.

They are the representatives, the mercenaries, of that minority which, since colonial days, has been overwhelmingly responsible for exploiting our country to its own selfish advantage, which has handed over our riches to the foreigner. It is this minority which, in its blind zeal to preserve its privileges, did not hesitate in 1891[7] and again in 1970 to thrust the nation into a tragic dilemma.

They have failed in their anti-patriotic designs. They failed when confronted by our own sound democratic institutions, by the firmness of the popular will, determined to stand up to them and disarm them, in order to ensure tranquillity, trust

5. On 22 October 1970, General Schneider was shot by right-wingers in an unsuccessful kidnapping attempt.

6. The Chilean police force.

7. The date of the overthrow of the nationalist regime of President José Manuel Balmaceda.

and peace for the nation, which from now on will be governed through the power of the people.

But what is the power of the people?

People's power means that we shall abolish the pillars propping up that minority that has always condemned our country to underdevelopment.

We shall abolish the monopolies which grant control of the economy to a few dozen families.

We shall abolish a fiscal system which favours profiteering and which has always put a greater burden on the poor than the rich; a system which has concentrated the national savings in the hands of the bankers, greedy for profit. We are going to nationalize credit in order to make prosperity available to all the people and to the entire nation. We shall abolish the large estates which condemn thousands of peasants to serfdom and misery and prevent the country from obtaining the food it needs from its own land. A genuine agrarian reform will make this possible.

We shall put an end to the denationalization of our industry and our sources of employment, which has subjected us to foreign exploitation. We shall restore to Chile its basic wealth. We shall restore to our people the major copper, coal, iron and saltpetre mines.

It lies in our own hands to achieve all this – in the hands of those who earn their living by their work and who today are in the seat of power.

The rest of the world may be spectators to the changes which will take place in our country, but we Chileans cannot be content to remain so. We must be the protagonists in the struggle to transform our society.

It is important for each one of us to accept his share of the common responsibility.

It is the essential task of the Unidad Popular government, indeed of each one of us, to create a just state, capable of giving the greatest opportunities to all who live in our territory.

I know that this word 'state' may arouse misgivings. It has been much abused, and in many cases it is used merely to disparage a just social system. Do not be afraid of the word 'state'. The state of the Unidad Popular government means all of you and all of us. Together we must work to perfect it, to make it run efficiently, to make it a modern, revolutionary state. But let it be understood that above all it is to be a just state. That is what I want to stress.

Much has been said about the participation of the people. Now is the time for it to be put into practice. Every inhabitant of Chile, no matter what his age, has a task to fulfil. In it he will combine both personal interest and the noble commitment to the collective task.

There is not enough money in any state in the world to meet all the needs of its organizations, if these do not first realize that rights are bound up with duties and that success is the more precious if it is the result of one's own efforts.

When the consciousness of the people reaches maturity, their wish to do voluntary work will follow as a matter of course. Such work has already been proposed by our young people.

What was written on the walls of Paris is very true: 'Revolutions are made first in people, then in things.'[8] Very specially, on this solemn occasion, I want to address myself to young people. It is not for me, a rebel student of the past, to criticize your impatience, but it is my duty to ask you to take time, and to reflect. You are at that splendid age when physical strength and mental energy make almost any undertaking a success. For that very reason you must give impetus to our advance.

Transform your enthusiasm into yet more work. Turn hope into greater effort. Turn impulse into concrete reality. Thousands and thousands of young people have clamoured for a place in the social struggle. Now they have it. The moment

8. Slogan on the walls of the Sorbonne, May 1968.

has come for all young people to unite. To those who are still on the fringe of these events, I ask you to come forward; there is a place for each person in the construction of a new society. Escapism, decadence, nihilism, drugs – these are the last resort of young people who live in lands which are unquestionably prosperous but lack moral strength. That is not our situation. Follow the better example of those who abandon everything to build a better future.

What will be the way, the path of action that Chile takes to conquer its underdevelopment? Our road will be one marked out by our own experience, it will be the one approved by the people in the elections, the one outlined in the programme of Unidad Popular.

The road to socialism lies through democracy, pluralism and freedom.

Chile possesses the basic conditions. Used with caution and flexibility, these will allow us to build a new society based on a new economy. Unidad Popular makes this theme its own, not as a command but as its natural way of doing things.

Because of its particular conditions, the social and political institutions are available in Chile to realize the transition from backwardness and dependence to development and autonomy in the socialist way.

Unidad Popular is constitutionally the agent of this reality – let no one imagine that Marxist theory has ever claimed, nor has history ever shown, that a single party is necessary in the process of the transition towards socialism.

What leads to that situation are certain social conditions and political vicissitudes, both internal and international.

Civil war, when imposed as the sole means of emancipation, condemns a people to a rigid political system.

Foreign intervention, in its anxiety to maintain its domination at no matter what price, imposes the authoritarian use of power.

Generalized poverty and backwardness sap the vigour of

political institutions. They lessen the opportunity to establish and strengthen popular organizations.

According to the presence or absence of these factors in Chile, it will be possible to exercise or create the mechanisms which will bring about the radical transformation of our political system in a manner worthy of our traditions, maintaining the pluralism which the great majority of our people support.

This is the principal legacy of our history. It is also the noble promise for our future. It all depends on us to make it a reality.

This decisive fact is a challenge to all Chileans, whatever their ideological orientation, to contribute their efforts to the autonomous development of our country. In the name of those who went before us in the struggle, and before posterity which will judge us, I can assure you – as President of the Republic – that all my actions will be directed to fulfilling the hopes of our people.

Our victory showed the maturity of consciousness in a section of our citizens. This consciousness must spread further. It must develop in the minds of thousands and thousands of Chileans who, even if they have not been in agreement with us all the time, are now resolved to dedicate themselves to the great task of building a new nation with a new morality.

This new morality, with patriotism and the spirit of revolution, will govern the acts of the men in government. At the start of this campaign, we declare that our administration shall be known for its complete trustworthiness to the point where, far from feeling ourselves to be victims of a rigidly controlled system, we shall ask them to act as its living conscience, to correct mistakes and to denounce those guilty of abuse both in and outside the government. To each of my compatriots, whose duty it is to participate in this great task, I can say that, in Fidel Castro's words, 'this government requires total commitment but is offering no commission'.

I shall never relax my watch over the moral qualities of this government. Our programme, approved by the people, makes it quite explicit that our form of democracy will be the more real the more it is of the people. The more it is governed by the people themselves, the more it is likely to strengthen human liberties. The people have taken control of executive power in a presidential regime to initiate the construction of socialism in a progressive form, by means of a struggle undertaken with political understanding, organized in parties and free unions.

Our method and our path is that of freedom.

Freedom for the growth of productive forces, breaking the chains which have shackled our development.

Freedom for each citizen, according to his conscience and belief, to add his share to the collective task.

Freedom for all Chileans who live by their labour to have control and collective ownership of their centres of work.

Simon Bolivar prophesied for our country: 'If any republic endures for any length of time in America, I rather think it will be Chile. Never has the spirit of freedom been quenched there.'

Our road, the one Chile will take, will also be that of equality. Equality so that every one of us may share the general wealth according to his labour and his needs.

Equality – to reduce the enormous differences of remuneration for the same kinds of work.

Equality is indispensable if each man is to be accorded the dignity and respect to which he has the right.

According to these strictures and these principles we shall go forward and construct a new system.

The aim of the new economy which we shall set up is to restore the resources of Chile to the people of Chile. Although monopolies will be abolished, because that is in the greater interest of the country, for this same reason we guarantee that middle- and small-scale businesses may rely on the close col-

laboration of the state to ensure the sound development of their activities.

The Unidad Popular government has already worked out the legal terms which will allow the programme to be carried out. Manual workers, clerical workers, technicians, professional people and intellectuals will have control both of the country's economy and of its political life. For the first time in our history, four workers are included in the government as Ministers of State.

Only by moving along this path of essential change both in the economic and political system will we approach the ideal which governs our activities:

– To create a new society in which men can satisfy their material and spiritual needs, without causing the exploitation of others.

– To create a new society which safeguards for each family, each man and each woman, each young person and each child their right to security, liberty and hope. Which allows each one to feel that he is being called on to build a new land and to build a life that is finer, richer, more dignified and more free.

– To create a society capable of making continuing progress in material, technical and scientific fields, yet ensuring for its intellectuals and artists conditions in which their works will express a true cultural renaissance.

– To create a new society able to co-exist with all peoples; to live alongside advanced nations, whose experience can be of great use in our effort to transcend ourselves; a society able to live with all dependent nations throughout the world, and to these we express our solidarity and send our fraternal greetings.

Our international policy is based, as it has been in the past, on respect for international agreements freely undertaken, for self-determination and for non-intervention.

We shall work together for peace and for the peaceful co-

existence of all nations. Each country has the right to free self-development and to proceed along the path it has chosen.

But we well know, as Indira Gandhi so clearly put it at the United Nations, that unfortunately 'The right of a people to select its own form of government is accepted only on paper. In fact' – declares Indira Gandhi – 'there exists considerable interference in the internal events of many countries. Those who have power make their influence felt in a thousand different ways.'

In Chile we respect self-determination and we practise non-intervention, and so we legitimately demand that all governments should relate to us in the same manner. The people of Chile recognize only themselves as masters of their fate. And the government of Unidad Popular will be rigidly on guard to protect this right.

I wish especially to greet all the official delegations which have honoured us by their presence. Likewise I wish to greet delegations from countries with which we have not yet established diplomatic relations. Chile will be prompt to recognize their governments.

Gentlemen, representatives of governments, peoples and institutions, I am a Latin American and so share the problems, the desires and the general anxieties of the rest of the inhabitants of this continent. Because of this I send my greetings as Head of State to my Latin American brothers, in the hope that some day the dream of our great leaders will be fulfilled and our continent may speak as one man.

We also have here representatives of labour organizations from all parts of the world; intellectuals and artists of international fame, who have wanted to show their solidarity with the people of Chile and to celebrate with them a victory which, being our own, is also felt by all men who struggle for freedom and dignity as their own too.

To all those who have assembled here – ambassadors,

artists, workers, intellectuals and soldiers – Chile reaches out the hand of friendship. Allow me, illustrious guests, to say that you are the witnesses of Chile's political maturity. You have seen with your own eyes the wretchedness in which many of our fellow countrymen live.

You have visited our marginal populations, the Callampas; you have been able to see how life can be degraded to a sub-human level in a land which is fertile and full of potential wealth; you will have recalled Lincoln's remark: 'This land cannot be half slave and half free.'

You, who have heard how Unidad Popular intend to accomplish the programme endorsed by our own people, to all of you I make a request.

Take back to your countries that image of Chile as it is and this sure hope of the Chile that will be.

Say that here history is experiencing something new; that here a whole people has succeeded in taking into its hands the control of its own destiny in order to march by democratic means towards socialism.

As Chile begins to build itself anew, enjoying springtime and carnival, our deepest wish is that each man in the world shall look to us and find brotherly friendship.

CHAPTER 3

Relations with Cuba

Speech broadcast on radio and television

Santiago, 11 November 1970

I have the pleasure to announce to the people of Chile that, in accordance with the facilities granted to the President of the Republic by the political Constitution, I have decided to restore diplomatic, consular, commercial and cultural relations with Cuba.

As we all know, the Chilean government broke off relations on 11 August 1964 as a result of a resolution adopted at the ninth session of the Council of Ministers of Foreign Affairs of America. This resolution was adopted in spite of the vote to the contrary by the Chilean representatives on the proposal that American countries should cease diplomatic consular and commercial relations with Cuba.

I never doubted that the suspension of relations with Cuba, and the other measures taken against her by the OAS[1], did not serve the interests of peace and friendship amongst countries in the manner set out in the Charter of the United Nations. I believe that such measures obstruct the natural development of the relations that should exist between the people and the governments of Latin America. Our aim must be to consolidate political and economic independence and assure our right to a place in the community of nations.

Such measures also ignore the right to free self-determination which is the soundest guarantee for stability in the smaller nation. This principle, accepted by everyone, both

1. Organization of American States.

unconditionally and unanimously, is written into the Charter of the United Nations. The General Assembly, which is celebrating its twenty-fifth anniversary, has just repeated and reaffirmed the principles which govern this world organization, together with those that safeguard non-intervention. It is my firm conviction that to maintain these resolutions with respect to Cuba would encourage an illegal situation; this fact was pointed out by the representatives of several countries when the resolution was adopted. It means that measures that are essentially preventive and temporary (the only kind permitted by the Inter-American Treaty for Mutual Aid) are used as sanctions, which was not the intention of this Treaty, or as coercive measures which may be applied only by regional organizations under the authority of the Security Council.

In announcing my government's decision to the people of Chile, together with the reasons on which it is based, I want to emphasize that this is our way of contributing to the end of a situation which we judge to be unjust towards a sister country that is struggling to forge its own destiny in accordance with the sovereign will of its people.

CHAPTER 4

Internal Order and Discipline

Speech at a plenary meeting of the Central Committee of the Chilean Communist Party

Caupolican Theatre, Santiago, 26 November 1970

The militants of Unidad Popular should be watchful and highly conscious of their responsibilities. They must understand that in view of the measures already taken by the government, measures which do not follow the usual pattern of procedure of past governments, and in view of the measures we have announced to fulfil the programme of Unidad Popular – indeed next week we shall present a bill for the definitive nationalization of the copper industry, a bill to abolish the monopolies that exploit and hamper the natural development of our economy and a bill to nationalize banking credit and to rationalize the insurance companies – I repeat, in view of all these measures and initiatives, it is reasonable to suppose that the sectors whose interests are being curtailed will seek any means whatsoever to prevent us from continuing the business of government in the peaceful and orderly manner that we intend.

A few days ago I learned that a group had been very efficiently organized to provoke the takeover of new houses, or of houses nearing completion. I first sought the opinion of the Minister of Housing and of the Minister of the Interior and afterwards went to see for myself. I took no body-guard, for I believe I have enough moral authority before the people for them to trust me. And so I went to the Villa Kennedy.[1]

1. A housing project on the outskirts of Santiago, financed by loans negotiated under the Alliance for Progress.

There I said what you have already read in the press: that it would be impossible for the militants of Unidad Popular not to see their mistake in becoming involved in a trap to set workers against workers. I think the response I obtained was very satisfying. I heard people say that if they had done something wrong they would remedy it, and such honesty is very moving. But behind mistakes which can be explained, there may well be a striving towards certain serious objectives, and this is what I want to discuss with you. I want the men and women of Unidad Popular to be urgently aware of the need for the committees of Unidad Popular to continue studying, analysing and criticizing the measures taken by the Unidad Popular government. At the same time ways must be found to satisfy the hopes and just demands of the masses within the range of possibilities we have already outlined. I came here this afternoon intending to do nothing more than bring my warm greetings and thanks to the militants of the Communist Party, who have done so much for Unidad Popular and for the victory of the people. But, in view of what has happened, I must re-emphasize how important it is to understand the nature of the responsibilities that rest on each one of us.

I have repeatedly stressed to the country and I repeat again to you: what we have succeeded in bringing about in Chile is something that has not happened in any other country. The attempt to overcome a government by using the proper legal channels in order to bring about the Revolution has been accomplished in this continent and in the whole world only by the people of Chile.

We are obliged to put into precise terms exactly what this means. I am aware of the comments in the international press and know how each day attacks on the Unidad Popular government and on the people of Chile are increasing. There are some people who would like to see us surrounded by a hostile climate. We know that there are exiles, implicated or not in

the murder of General Schneider, who still continue their subversive conspiracies. The government is watchful, but the government's foundation is the unity of the people, your vigilance and your sense of responsibility.

We are not going to find a solution in one day to problems that have lasted more than a century. Nor is the present state of things a permanent answer. But I believe that the level of understanding reached by each man and woman of the people is sufficient to enable them to realize the magnitude of the task facing us. The language I speak as President is the same that I spoke as candidate. I cannot, comrades, and the different party leaders cannot, do what we have to do if it is not upon the basis of granite resolve, of high-mindedness, of courage on the part of the workers, of a sense of responsibility in young people, and of an invincible will on all our parts to resist the enemies of the people of Chile and remain free to be our own masters.

Let us avoid all provocative acts. Do not be tricked into provocation. Reject irresponsible or demagogic attitudes. Teach every man and woman in the country, especially the peasants, who have less political understanding, that this is their government, and that we have already shown it to be so by the measures we have taken recently. They must have confidence in you who are part of the government through the popular parties and through the Central Union of Workers. For the first time in the history of Chile, the President of the Republic and his Ministers for Social and Economic Affairs are going to sign an agreement with the Central Union concerning wages. This agreement establishes a wages policy based on totally different concepts. It is a policy integrated into the broader framework of our economic development, with a system of social justice which will become a reality when an organized people realize the aims they have set themselves.

CHAPTER 5

Honesty in Administration

Address to heads of departments involved in public administration

Santiago, 15 December 1970

The problem is quite a serious one, for we are working out our way as we go. We are not yet a socialist country, nor are we working our way towards a state of workers' control. We are a government which has told the country that it is going to make changes within legal terms, and to create three distinct areas in the economy. And we have to be sure that we are able to carry out these plans. There is no one who can show us the way, for it is a way we have chosen by ourselves and, perhaps fortunately, we have no models to imitate.

It is up to us to find our own way. But at each step we take we shall meet difficulties which will become greater as we go on. That is why we shall need the co-operation of Civil Servants, in order to share ideas, make suggestions and make criticisms from an internal point of view. Nothing would give me personally greater satisfaction, for example, than that such criticism should be made via the ministers in charge, via the heads of department, the under-secretaries, or, if all other channels prove to be undeniably unfair, inconvenient or misguided, then directly to the President. It is better to admit a mistake than to persist in it.

I am and shall remain quite intransigent. No thing or person shall prevent me from taking action against a dishonest official. No party leader, nor persuasion of any kind, will incline me to change my standards. Once misconduct has been proved, if the head of department does not take action,

then both the dishonest official and the head of department will be dismissed, for the latter is responsible for his department. This is my first and last warning to you on this matter, for this is how things must be. There must be no old-boy network, no nepotism of a political or family nature, no favouritism of any kind. We shall soon be submitting a bill concerning probity in administration, not merely to add to all the other bills, but so as to establish a legal requirement with which we shall all have to comply.

We have reached an agreement amongst the parties to establish a proportional responsibility that will not give to any one party control of the area of public administration, but will ensure that such responsibility is equitably distributed. But the officials too must display sufficient sense of duty not to put their party political allegiances before their professional competence and duties.

Administrators in senior positions are nominated by me – and not by the political parties. Not one of you owes his position to a party. I have stated categorically that you are officials of the public administration and that I am the Head of State. I am not yielding this prerogative and I shall allow no one to abuse it. In order to assess a man's suitability, I shall require, not lists of names in triplicate, but a record of his achievements.

CHAPTER 6

The Occupation of Rural Estates

Speech in the Plaza de la Constitución

Santiago, 21 December 1970

Yesterday I was in the province of Cautín. The atmosphere there is very tense. Naturally so, in fact, if one bears in mind the social and economic wretchedness of the lives of the Mapuches, the native Indians.

I was there, and I stated publicly that I was not going to raise the tomahawk – the symbol of the Mapuches – nor was I going to offer hypocritically a pale and wan dove of peace.

What I brought was the responsible word of a governor of the people, telling the workers of the land, telling the Mapuches, that while I recognized the justice of their claim and their anxiety to own land, I begged them not to take part in any further takeovers of farms nor in breaking down boundary marks, for this encourages exploitation and the malicious campaign that accuses the government of being ignored, and claims that the law is no longer respected and that anarchy is rife. I stressed that in this government there is someone responsible in the position of President of the Republic, and that his decisions are grounded in moral strength and in the influence that he exerts upon the masses of the people.

At the same time I declared that, while we were going to organize a National Peasants' Council, to study seriously the situation of the Mapuches, there were in fact two kinds of landowner. There are those who have complied with the laws, who have worked the land, their land, respecting the

men with whom they worked and respecting the dignity of the peasant. Also, to their shame, there is another class of landowner. I refer to certain groups allied to reactionary forces, to open and hidden conspiracies to smuggle guns into the country. I would like to substantiate my remarks, for a daily paper has reported that arms have been smuggled into the country from Argentina, but it has not analysed what this means. This kind of landowner has smuggled arms into the south of Chile, particularly into the provinces of Cautín, Bio-Bio and Malleco. There are landowners who are armed, who have rifles and machine-guns. They have used them already and they declare that they will continue to use them.

I have stated categorically that I do not want Chilean steel to be wrought into weapons with which Chileans will fight Chileans. We want our steel to be made into picks, hoes, hammers, tools with which to work. But I also maintain that, if those landowners will not listen, it will be the government itself that will impose respect for the law and for the lives of the workers on the land.

Discussions have been held with the farmers' unions, or rather with the representatives of the major unions in the National Agricultural Society, and they have been told that the memorandum they submitted to the Ministry of Agriculture will be answered as soon as possible. I assured them that we would not pass over a single one of the seven questions they have framed. I want all landowners to understand what our attitude is to be, and what the means are that we shall take to achieve our ends. The small- and medium-scale farmer, all who work the land honestly, may be sure that the government of Unidad Popular will come to their aid.

We shall carry out the Land Reform Act to the letter, as an economic and social necessity. In fact, we shall modify the law itself, but we shall do it legally. If we expect the Mapuche, the native Indian, and the farm worker to respect the law, then all the more firmly do we demand that it be

respected by those whose duty to respect it is all the greater on account of their cultural and educational advantages.

Furthermore I would emphasize that this government has not overstepped the limits of the law. I would like to refresh memories in certain respects, as already a document has been published in the papers in Santiago which stems from the Christian Democrat Deputies in Cautín. They, above all, should not forget that occupations in that province began in June of this year, and that in the months from June to August more estates were taken over than there have been since the elections. I should like those deputies to remember that there were boundary violations then, in just as high numbers as there are now, and I remind the people of Chile as a whole that there were landowners lacking in respect for the government of President Frei on the occasion of an act of the National Agricultural Society itself. I remind you that it was the landowners themselves who blocked the roads with their cars and lorries in protest against the previous government's attempts to fix the price of corn. I remind you too that, in Linares province, officials from INDAP[1] were shot at, beaten and injured. I remind you that reporters were attacked; and finally I remind you that a public official, Hernan Mery,[2] was murdered while trying to enforce the law, although protected by the Carabineros.

It is not we who have used the authority of the government to transgress the law. Whenever an estate has been occupied we have gone immediately and tried to reason with the farm workers. We know that some estates have been occupied because their owners no longer work them, or have abandoned them. On other farms where there has been constant and prolonged conflict, desperation has driven the workers into

1. Institute for the Development of Agriculture.

2. Hernan Mery was an official of Cora, the government's land reform agency, and was shot early in 1970 by an irate landlord whom he was in the process of expropriating.

action and into occupying the estate. In such cases we have nominated superintendents and have issued very clear instructions that the superintendent should not merely be the nominee of Unidad Popular, that he should if necessary renounce any official connection, but that primarily he must be competent in his technical capacity.

For it is essential that such farms continue to produce, so that the people of Chile shall be better fed, and this we feel is a responsible attitude on our part.

CHAPTER 7

The Nationalization of Copper

Speech in the Plaza de la Constitución

Santiago, 21 December 1970

I now wish to discuss copper. I want every man and woman listening to me to understand the importance of the fact that we are drawing up a bill to modify our political Constitution to enable Chile to own its basic wealth, to nationalize copper, unconditionally and definitively, so that copper shall belong to the Chilean people.

I wish to present a few statistics, as it is only by giving the people accurate information that they will be able to develop a true sense of their own responsibility.

The nationalization of copper, iron, saltpetre and our other natural resources is a step which will involve everybody concerned with Chile and its economic boundaries. I appeal to all who share neither our political position nor our opinions to stand together with us and to consider Chile and its future. The step which we are about to take, totally within the limits of the law, will certainly be distorted in the eyes of the outside world and resisted by a small group of ill-intentioned Chileans. But the people of Chile and the Unidad Popular government, over which I preside, have accurately calculated the serious implications of the measure, which it is indispensable to take in order to strengthen the Chilean economy, to end its economic dependence, to fulfil the hopes and needs of those who gave us political freedom and to win our second independence, the economic independence of our country.

Let us look at some past experiences – experiences of profit

gone forever, profit which has never come back to Chile during a long period of copper-mining.

Before 1930 there were no controls; there was no possibility of obtaining accurate statistics. Between 1930 and 1969, $3,700 million have left the country to increase the immense power of the international concerns which control copper deposits in five continents. In 1969, $166 million did not return. I must point out that $3,700 million is 40 per cent of the total wealth of Chile, of the cumulative efforts of 400 years on the part of all Chileans; 40 per cent of this wealth went in the years 1930 to 1969, and this is a fact we cannot forget.

Chile also knows that, more or less in the same years, there has been taken out of Chile, through channels other than copper – such as iron, saltpetre, electricity and telephones – something like $9,600 million, representing the total wealth of Chile. Another Chile appeared, due to irresponsibility or complicity on the part of the ruling caste, outside the frontiers of our country, while the inhabitants of the land were struggling with hunger, illiteracy and ignorance. This is why copper is to belong to Chile; as the initial step towards the recovery of our wealth.

I want the people to know that the net profits in Chuquicamata, Salvador and El Teniente between 1965 and 1970 reached $650 million; that is an average of $110 million per year. $110 million are enough, for example, to build and install three electrolytic refineries, each with a capacity of 100 million tons. $110 million would be enough to feed 250,000 Chilean families for about fifteen months, or to supply 2½ million Chileans each with a pair of shoes a year.

I want the people to know that investment in the Gran Minería and in the Andina mine after 1965, according to the development plan, meant, or would mean, the investment of $690 million dollars in order to increase production to

412,000 tons per year. Of this, $140 million has already been invested, but Chile owes $530 million. In other words the development of the mining industry has proceeded at the cost of putting the country into debt.

I want the people to know that the El Teniente mine, or rather the Kennecott mine, before the agreements, owned 100 per cent of the shares in the ore known as El Teniente, and it drew 17.4 per cent of the profits – the profits, I repeat. After the agreement, having yielded 51 per cent of the shares, thus remaining in control of 49 per cent, and having received a considerable sum of millions of dollars, the Kennecott received 56 per cent of the profits made on the mine – in other words the Kennecott mine, now holding only 49 per cent of the shares, reaped three times the profits it had when it controlled 100 per cent of the shares in El Teniente!

I want you to know what happens on a world scale with the Anaconda concern. Of the net consolidated profits of this firm – in 1969 the Anaconda obtained world-wide profits of 99 million dollars – 79 million, that is 80 per cent, came from Chile. However, in Chile they invest only 16 per cent of what they invest in the whole world: 16 per cent of their investment yields 80 per cent of their profits. It is certainly pretty good business for the Anaconda to invest their money in Chile.

I want Chileans to know that you control neither the mining, the selling nor the financing of copper, which in 1969 reached $1,000 million. In past years this has meant that the country really has been bled white. For example, a selling price was fixed lower than the international selling price. To quote only three years' deficit, what we lost by selling at a rate lower than the international selling price in the years 1964–6 was $668 million. This was the companies' exclusive profit. I want to point out that on the basis of nationalization, according to the estimates of experts and to accessible precedents, we worked out that, at 45 centavos a pound and

at the rate of present productivity, nationalization will bring Chile $70 million more than the revenue we have today, that is $70 million more in terms of profits alone.

Finally, I want to say to you that, according to experts, world copper reserves amount to 275 million metric tons, and that Chile has reserves representing 30 per cent of the total, that is 80 million tons. I want you to know that the universal average for copper wealth per ton is 1·5 and that Chile's average is 1·7 to 1·8, that is to say we are a country of nearly limitless reserves and possess copper of great value.

It is for these reasons that, taking such a step at this moment, we come face to face with a tremendous opportunity for the people and for the country. We shall carry it out by legal means, as a right of the people of Chile, as a duty of the Unidad Popular government you have elected. We shall make it possible by the material progress of our country to affirm our sovereignty, and to show that Chile's dignity and independence are beyond price, beyond pressure and beyond threat.

I wish it to be clearly understood that this is not an attack on the North American people, nor on the North American government. There is no aggression involved, in that we shall exercise the law and compensate in a fair manner, using the standard machinery of the state of Chile and the relevant firms. I wish to state publicly, in order to quell rumours and to prevent some international conspiracy from being launched against us, that frankly we are quite prepared to trade with the same clients in the United States or in Europe as have previously bought our copper. We do not refuse to deal with them any more than we refuse to deal with any other country in the world. Whoever pays us more and better, and whoever buys semi-treated copper from us, will bear away the greater part of Chile's product.

I emphasize that anyone who has previously bought copper from us, and who needs it, will not be deprived of it. What

I am saying is that we alone are to be the masters of Chile's essential wealth. We are going to control its production. We shall intervene directly in the market and above all else we shall protect Chile's interests, since we ourselves are now the masters of our economic future.

I want to sum up very briefly the proposals which we shall bring to Congress tomorrow. That bill establishes definitively the absolute control of the state over the deposits and the mines, so that private individuals will enjoy only those rights obtained through concessions. Rules are established for assessing the sum and forms of payment of compensation in case of expropriation; for that, a law must be drawn up to define what the Gran Minería is, which may be applied equally to copper, iron, saltpetre and to any other material. In this bill, a definite end is set to all possibility of the existence of contract laws. The state remains free to modify what it has contracted with private parties, if it is required to do so in the interest of the state, with no obligation other than to compensate the affected party.

The state is empowered to take actual possession of goods at the moment that the order for expropriation is made. This will proceed in the customary manner.

In the case of the nationalization of the existing copper mines, the Gran Minería and the Andina company included, the general rules previously referred to will apply. Thus there will be no need for new laws. The minerals and the installations will remain under state control through the Ministry of Constitutional Reform, which nullifies the purchase of enterprises undertaken as a result of the Copper Convention. The existing mixed enterprises will be wound up. What may have been paid as the price for the purchase of shares will be deducted from the due compensation.

No compensation is to be paid for the deposits. Payment for expropriated assets will be in cash over a thirty-year period, by annual instalments, at a fixed interest rate of 3 per

cent. Payment may be suspended if the expropriated parties interfere in the production of the minerals and will be reduced by the quantity that the companies would have received in profits above the annual average. These proposals lie within our rights. The bill is going to Congress, where it will be discussed and where the currents of public opinion which are represented there will be heard.

What we are doing is absolutely legal, and it is relevant to point out that the United Nations has recognized the right of a people to nationalize natural resources held in foreign hands. Chile will not renounce this right, because its exercise means the end of our economic dependence, and that in turn means full sovereignty and cultural independence. So, this afternoon, as I sign the decree which creates the National Council of Peasants and the bill on the modification of the Constitution, I believe that the people understand that the step we are taking is decisive in the history of our country.

CHAPTER 8

The Nationalization of the Banks

Speech broadcast on radio and television

Santiago, 30 December 1970

I did not want the year to end without making an announcement to you that is crucial to the fulfilment of our economic plans. It concerns the new banking and credit policy.

In our campaign we promised that banks should cease to be an instrument at the service of a minority and that their resources should be put at the disposal of the whole country.

According to its legal obligations, it is now time for the Central Bank to fix the maximum interest rate for the first half of 1971.

The government of Unidad Popular proposes that this decision should be accompanied by other measures, to ensure the overall cohesion of our policy.

Our plans are as follows:

(1) From 1 January there will be a substantial reduction of the maximum interest rate. The reduction is to be 25 per cent lower than the level which it maintained during the second half of this year. In this way, the maximum total cost of credit, including tax and commission, is reduced from 44 per cent to 31 per cent.

(2) There will also be rates, substantially lower than the maximum, for certain economic activities and for some businesses.

In this way we can benefit small industries, the artisans, the purchasing centres, the peasant co-operatives, the agricul-

tural associations of the Agrarian Reform, the peasants concerned in INDAP,[1] builders of economy housing and industrial units, exporters, firms operating credit facilities within the limits of the Exchequer budget, and industrialists having contracts with the Ministry of the Economy for the development of products for popular consumption.

Thus the interest rate is transformed into an efficient instrument with which to guide our economic development and support certain productive sectors, in particular the small- and medium-scale businesses.

(3) We shall initiate a broad redistribution of credit, making it easily and readily accessible to sectors which until now have been neglected by the banking institutions.

(4) We shall begin to decentralize this system, so that the regions and the provinces can make use of greater resources and achieve greater powers of decision within their own areas.

It should be realized that on 30 September of this year 70 per cent of all credit was concentrated in Santiago.

This entire policy is intended both to place the banks at the service of national development and to counteract and destroy inflation. Less financial expenditure necessarily means less inflationary pressure.

However, for this policy to be applied efficiently in all its breadth, and for it to become permanent, it is necessary in our judgement that the banking system should be the property of the state.

The banks will always try to find a way to avoid controls as long as their direct administration does not lie in government hands. History has shown that the indirect controls which can be applied are ineffective.

This is what happens when credit is concentrated. In December of last year, 1·3 per cent of the system's debtors

1. Institute for the Development of Agriculture.

monopolized 45·6 per cent of the credit. This concentration has continued to increase. At that date it was greater than in 1965.

Likewise, there are sound reasons to suppose that during these last weeks concentration of credit has increased as a last attempt to extend to the limit the entire credit capacity of the private banks.

This becomes evident when established clients of these banks are turned away and as a result greater pressures are imposed upon the State Bank.

If we do not take over the administration of the banks, to give more credit to small- and medium-scale businesses and to keep down monopolies, then the lowering of the interest rate will continue to favour the same privileged few who have always profited from them.

In the same way, indirect controls have proved incapable of preventing illegal transactions and of decentralizing credit and have not been able to direct its use as an effective instrument of planning.

It is only by placing the banks in the hands of the people, through a government which represents their interests, that it is possible to carry out our policy.

In view of what has been said, I have decided to submit to Congress in the coming week a bill for the nationalization of the banking system.

In spite of this decision, the government wants to offer an alternative which, besides accelerating the process, offers a favourable option for all shareholders, especially for minor shareholders. The government is offering to buy, from Monday, 11 January, to 31 January, all shares held in the private banks.

This option will be made through the channels of the State Bank, at its branches throughout the country and according to the following conditions:

(1) The shares will be valued at the average of the prices paid in transactions at the Exchange during the first three months of this year. This procedure is similar to that adopted for the payment of death duties.

It is necessary to point out that the price quoted for the shares, in the bill for nationalization of the banks, is lower than this price.

(2) The forms of payment offered are:

(a) The first 10,000 escudos, in shares valued at the aforementioned manner, will be paid to holders in Saving Certificates which may be realized at any time.

(b) Owners of more than 10,000 escudos' worth of bank shares will receive up to an additional 40,000 escudos in Saving Certificates, which may be realized not less than two years after the transaction.

(c) Those who control more than 50,000 escudos' worth of bank shares will be paid the sum in excess of this amount within seven years, with two years of grace, in adjustable annual instalments at 5 per cent interest.

These conditions favour shareholders, especially small shareholders, bearing in mind that the bill for nationalizing the banks sets a term of fifteen years for the repayment in fixed instalments with an interest rate of 5 per cent per annum.

Payment in Saving Certificates is a safer alternative for the small shareholder, and is also more profitable business than he has so far experienced with his shares. He can also count on the additional security of the support that the Unidad Popular government will lend this form of saving.

The institutions which do not pursue monetary aims will receive special treatment.

(3) In order to effect payment, the most recent lists of shareholders, as delivered by the banks to the Superintendency, will be accepted.

The government's offer refers to all the shares held by the shareholders and not merely to a part of the shares.

Without prejudice to the preceding offer, and in order to protect the interests of the country as from now, the Superintendency of the banks will appoint inspectors in each institution.

We appeal to bank authorities voluntarily to delegate managerial responsibility as from now to persons nominated by the government to perform such work, thus avoiding even the least element of instability in the financial system during the period when the bill for the nationalization of banks is being debated in Parliament.

There is an exception to these principles: foreign banks which retain a special juridical status. With these we shall seek to obtain direct agreement based upon the interests of the country, and giving due consideration to their rights.

All these measures will guarantee deposits. Depositors can be sure that the government organizations will halt and sanction severely any attempt to violate their integrity.

I wanted to leave to the end a few words addressed to bank employees. In adopting these measures the government's intention is to implement the suggestions made by them at their last conference, when they voted in favour of the nationalization of the private banks.

The government is counting on their support and on their active participation in order to fulfil these objectives.

At the same time we shall give due regard to their legitimate aspirations, which have been held for many years, towards:

(1) A career in banking accorded by merit and seniority, in order to establish, by a gradual levelling process, a single career, in which there may be specialization.

(2) Opportunities for study and improvement for all personnel, with emphasis upon preparation for the introduction of mechanized banking and foreign trade.

(3) Redistribution of wages, with benefit to the lower-paid workers.

(4) Abolition of privileges such as differences in catering, use of vehicles, etc.

(5) Abolition of humiliating and regressive demands on the personnel, such as for example the obligation to request permission to marry, the termination of employment for women who marry, the need for a recommendation or guarantee before employment, etc.

(6) The handing over of recreation centres to associations directed by the unions, who will delegate administration within the individual clubs.

(7) A special study for a housing policy for bank workers, bearing in mind the volume of basic assets owned by their institutions.

All this is in accordance with the assurances made by the government to respect the advances already secured by bank employees.

The reduction in the interest rate will not affect the income of any of them, and they will eventually become involved in the management of their own organizations.

We hope that the personnel of the banks will set an example to all workers in the country. Working in an organization which belongs to all the people is not just a privilege. It is also a responsibility.

CHAPTER 9

Participation and Mobilization

Speech opening the first trade-union summer school at the University of Valparaiso

Valparaiso, 13 January 1971

What we have accomplished is something that has historical significance, and which extends, comrades, beyond the sphere of the personal. I have always said that I am not a caudillo, nor a messianic figure, nor a man sent by Providence. I am a militant socialist who realized that only in unity lay a hope of victory for the people, and not victory for one man alone. I am a man who has used his energy to make this unity possible. This unity alone, I emphasize, will accomplish the transformations which Chile wants and needs, and accomplish it within the terms of a bourgeois legality which nonetheless it must change. The task is extraordinarily difficult, yet not, for that reason, any less compelling. That is why I repeat the importance, not just of technical training, but of the retraining of social attitudes, of the mental stance which working people must adopt in order to realize that they themselves are the protagonists in the great drama to which Chile is committed.

Therefore it would be useful if I could indicate, at least briefly, how important is this understanding of their historic role on the part of the Chilean masses. It is this which gives their leaders the strength to act.

In the private sector, for example, the workers are grouped into 1,300 unions, the clerical workers have 1,200 unions and the agricultural sector 440 unions. Altogether we have

600,000 organized workers and 130,000 clerical workers. In the public sector, base organizations number 55,000, with 300,000 affiliated members. This consists of the ANEF,[1] the ANES,[2] the State Bank, and independent organizations. The ANEF alone has 60,000 members. We would like to point out that in the Chilean agricultural industry the situation is as follows: there are here 722,000 farm workers, of which small farmers[3] comprise 15 per cent, small-holders 16 per cent, communes and Mapuches[4] 18 per cent, totalling about 219,000 people; tenant farmers with hired labour come to 7·1 per cent, part-owners[5] 3·9 per cent, voluntary workers 4·2 per cent, temporary hired labour 32 per cent, and these make a total of 232,000 workers.

There are two things here that I want to outline: firstly, that the organization of workers in our country has operated in a slow and cumbersome manner; secondly, I must stress the magnitude of the task that awaits us. This is, above all, the organization of the workers on the land.

We have insisted upon the overriding necessity for a drastic revision of this organization. At the same time we are proposing to the country that the workers and the Unidad Popular government should work together in close collaboration. The workers must show that they really are a part of the government, and can meet the responsibilities due from a people who control their own government.

That is why we have been prompt to sign an agreement between the CUT[6] and the government. This agreement was

1. National Association of Fiscal Employees.
2. National Association of Semi-Fiscal Employees.
3. Farms of between 100 and 1,000 acres.
4. Indigenous Indian tribe.
5. The owner of the freehold receives 50 per cent of the product in exchange for use of land and equipment.
6. Central Unica de Trabajadores, the Chilean Trades Union Congress.

arrived at on the occasion of the Salaries Adjustments Act. The workers were not only able to share the responsibility for establishing the scale of the adjustments, but also, by signing an important document with the government, they showed their political awareness and the degree of their political strength. They pointed out that the Adjustments Act was only a part, though an important part, of a great process of economic development aimed at ending Chile's dependence – her economic dependence, her political dependence and her cultural dependence. The working class has to be the motor of the great revolutionary machine that our country is operating. The working man is the protagonist in a contest which is very different from what he has experienced in the past, and very different from what is experienced in other countries.

Here in Chile at this moment, taking account of the realities we have to face, the history, the traditions and the particular characteristics of our country, we are setting off on a road which is genuinely our own. It is a revolutionary road, and, if it is to lead Chile to economic independence, and indeed to her full sovereignty, it must have its foundations laid in great political consciousness on the part of the working masses; a consciousness which is politically sophisticated as well as imbued with deep national and patriotic feeling.

Chilean workers must understand that they are part of this government, that they are the government, and that therefore they have a duty to tell those who have not yet acquired sufficient political understanding that nations advance only by working more and producing more. But working for a few people is very different from working and producing for the masses of the Chilean people. It is very different from work as work is understood under a capitalist system. Here we are working for a society which is beginning to cut a path towards socialism, a society where we do not want man to exploit man, and where we do not want the large countries to exploit the smaller ones. Where dignity

is not allotted per capita income and where peace and the right to work are enjoyed by all.

We must understand that there is a twofold task awaiting us in the problems of organization. Rather, it is a threefold task. There must be organization certainly, but not merely the organization of the workers in commerce, business, industry or in hospitals, but organization so that in all activities, be they private, mixed or public, the aura of class should no longer cling to the concept of the worker as it does in the Chile of today. I am a doctor and am familiar with the rules of the College of Medicine. In the hospitals, for example, the hospital organization separates and segregates doctors and other professional people from the other health workers.

We have a totally different view of things. We think that in a hospital the organization of workers should extend from the humblest comrade working in the corridors to the director of the hospital himself. He does not inhabit a different world. He could accomplish nothing if there were not a sense of common responsibility among all the workers.

The most brilliant surgeon, I have often said, would not perform any better, nor be any more sure of the results, if he did not have to depend on a nurse, on a ward orderly, and eventually on the auxiliary who takes charge of the patient when the nurse, the orderly and the surgeon have departed. We live in a world where there are no rigid frontiers and where the interdependence of each one of us, regardless of work or activity, calls for much greater co-operation as a team.

What happens in hospitals happens on a larger scale in the working world as a whole. An engineer in a copper mine could do nothing if the copper workers themselves did not believe it was important to increase work and productivity.

Workers should not take the narrow view that because they work in industries essential to the country, it follows that they should have privileges and advantages over other

workers. In that way we would distort our perspectives. A system like ours is intended neither to grant privileges to those with university degrees nor to give special advantages to those who work in enterprises which are essential to the country's economy.

It is important that both the trade-union leader and the worker should understand that the country is a single entity, from Arica to Magallanes, and from the Cordillera to the sea.

The work of the copper-miner is repeated by the coal-miner, deep in the heart of the mine, and echoed by the nursing orderly in the hospital and by the worker on the land. Most important of all is that beyond the limits of specialization and work there should be in the minds of all workers a vision of what it means to be a nation, what its economy should be, and what a non-capitalist economy really is.

When the workers understand, and they are already understanding, that this victory is a step which indicates how such understanding is maturing – and when I speak of workers I do not mean only labourers or peasants but many more – clerks, technicians, professional people – when workers fully understand that this country just as any other country in the process of development will not achieve a higher level of spiritual and material wealth unless we are able to put an end to economic dependence; if we are not able to destroy whatever holds up progress in a developing country; if we are not able to grasp the dialectic that imperialism exists because underdevelopment exists, and that underdevelopment exists because imperialism exists, then we shall not find the necessary strength of will to create a united people capable of supporting the measures taken by their own representatives. These measures will be to transform Chile into a country which is master of its own fate. For these reasons, then, our trade union leaders must keep this vision before them, and it is towards these ends that this Summer

School must work. This is a view of responsibility derived not merely from your role as leaders on the workshop floor, but from your greater task as leaders of the masses who are the essential factor in the revolutionary process.

We must mobilize the masses of the Chilean people. We must mobilize the majority of the country. We must not mobilize them merely into acts of support for the government, or to counteract the reactionary attitudes of sectors which feel themselves injured by the measures we have taken in order to protect the majority; we must arouse in the mass of the people the will to make greater efforts and sacrifices, and to achieve greater understanding. Chile must be a country with a planned economy, where the essential factors lie in production and in the efforts of every fellow worker. In the case of students this effort is to be shown by their being better students, by studying and learning more in order to be able to teach more. There is no justification if, by becoming involved in political action, they then cease to be good students. I have no sympathy with the student political leader who disregards the claim of ethical responsibility, for he must first of all distinguish himself as a sound student if he is to become a political leader.

In the same way I have little sympathy for the bureaucratized trade-union leader who keeps himself outside the hurly-burly of actual work. The time that leader spends at work alongside his comrades is utterly compatible with the time needed to protect his comrades in his capacity as union leader, and is also necessary to fulfil his responsibility as a worker on a national scale. We are experiencing a new stage in our development and the people need to understand that this process in Chile is a profoundly revolutionary process which will be carried into all aspects of Chilean life. I have always maintained that revolution takes place not just at a revolutionary focal point; revolution is not merely an armed section of the people in rebellion, nor does it lie only within

the electoral field. As a comrade once put it – I believe it was Almonacid – 'there are no formulae for Revolution'. Any one of several methods may be effective, depending on the nature of a country's circumstances.

Every country has its own particular features and it is on these that we must base the manoeuvres that will bring the majority to government and, through a government, to power. For we should understand that in these Latin American countries many men have reached government, but they have not all attained power. In a dependent country like ours, which, being poor, exports its own capital, power is obtained only when the country's natural wealth is restored to the people (wealth which was in the hands of foreign capital), when there are serious, far-reaching and drastic land reforms, when there is control of imports and of exports, and when banks are nationalized. In short, when the pillars of financial and economic power which have been in the hands of a minority class are delivered to the people to be used for the sake of the community and not for the privileged few. This is the task that awaits us, and which we shall fulfil because it lies in the programme of the Unidad Popular, and will become a reality, come what may and complain who might.

It might be helpful to think of Chile today as a kind of social laboratory. I declared in my presidential campaign not only that what was going to happen in this country would have internal relevance, but that its significance would extend beyond the frontiers of our country, and that, without the slightest exaggeration, it would extend beyond the limits of our continent. And that is a fact.

We are regarded in two ways. By a few people, with the hope of provoking an internal crisis whereby another few might resist the will of the majority. And by the many people abroad who understand what it is we want, what our struggle is about and where it is leading us. They know that, to reach

the goals we have set ourselves, we shall inevitably have to offend powerful interests, held by foreign capital and by oligarchic groups in our country.

The stage we are entering must be analysed with the serious and informed approach which can and should be found in the schools of the university. There it is not possible to stumble into opportunism and demagogy, to risk adventure or to slide into the sluggard long-sufferance of those who urge us to keep on waiting. Not at all! We must stride forward as men who know where they want to go and who know the truth of Julius Caesar's advice to 'hasten slowly'. I have insisted too that every revolutionary process should reflect the truth of the slogan written on the walls of the Sorbonne: 'Revolutions are made first in people, then in things.'

We must all make changes within ourselves. We must all take intimate stock of ourselves and appreciate that this is much more difficult for the older ones among us. We must make a greater effort to become different, to understand the language of what is expressed in gestures of solidarity, fraternity and understanding. When we speak of the new man, we are not addressing the man we wish to reform in the present society. We must think rather of what can be done when we are capable of building a new society, and that means a new morality and a new concept of human relations.

So, comrades in the university, it is for that reason that we are here to learn, for example, what is the meaning of the presence in our land of the armed forces and of the Corps of Carabineros. It is a source of deep satisfaction to us that the Chilean armed forces are professionals who are not in the service of one man, but in the service of Chile. They carry the glory of wartime heroism and the dignity of work in peacetime. They must be involved in the great task of transforming Chile's economic processes, with all due regard to the special nature of their profession. If the Carabineros, and

sometimes – fortunately only sometimes – the armed forces too, have in the past been used for repressive purposes, then I believe that it is time for them to understand that their role now is to stand by the people and thus protect the economic frontiers of Chile.

The government has already nominated – and it will continue to do so – members of the armed forces and of the Carabineros to positions in organizations, associations and businesses so that they may be shoulder to shoulder with you in creative discipline. We have appointed representatives of the armed forces to the copper industry. If in the past they came in a different role, today they come to protect, together with the workers, the economic boundaries of Chile.

Comrades, I have wanted to stress the decisive importance of the parts played by every woman and child, every adult, and every old man and woman in this great and magnificent struggle for a different and better country. We want to industrialize Chile, we want a Chile where the land, while producing the food, also becomes a factor in the progress and process of industrial development. We must create large agricultural – industrial combines.

When we visited the coal industry, we said to the miners: 'We have taken over this business together with its debts. This business has survived on state support. We have allowed it to retain some of its assets, certain particular assets, which are to become the basis of a tourist industry in which the state will participate.' But we also said: 'You are producing 3,800 tons of coal a day; we shall not be able to support this enterprise if that level of production continues. Each man must increase his productivity; he must work harder, make greater economies and help to raise production to 4,700 tons a day. Only that figure would represent financial viability for the enterprise, and would be a significant contribution to Chile's fuel resources in view of the reduction in oil supplies.'

We explained to the steel workers that our expansion programme requires an increase of from 600,000 to 700,000 tons of steel to 1,200,000 tons and in the near future to 2,000,000 tons. Steel is a dynamic factor in the economy, a vital necessity, as is oil.

We must make people understand that per capita income, the income of the individual, must be increased, and, since it is assessed in dollars, this means a rise of about 1,000 dollars a year per person. The development of the country's general economy must take place at a very rapid pace. This can only be brought about by producing more, working more and by becoming better equipped.

Chile must be converted into a laboratory, a university. This concept of a university has nothing in common with the groves of academe. It will be a university where technicians and labourers will have a place. Masters and apprentices will in turn pass on what they have learned, and learn from those whose experience of life at all social levels has equipped them to teach. It will not be necessary to have attended the university, or to have a degree, before one is able to teach. That was always our intention: to turn our country into a university, a country where every facet of men's lives can serve to teach, a country where men realize that, though they live in the century of technology and science, developing countries can never reach the standard of living of industrial capitalism, even if the process of industrial capitalism were to remain static.

An American economist has pointed out that, given the internal socio-political difficulties of Latin America, it would take five hundred years for this continent to reach the same level of development as the United States, and even then only provided that Latin America could accelerate the process and that the United States were to remain static. This cannot be allowed to be the case. We are not inclined to wait for five hundred years.

Hence the need to understand what is going on in the world, and what is going on in Chile. I welcome the professors from abroad and from other South American countries who have come here to instruct us, and I hope that they will return to their countries anxious to tell their own people what we are doing and what we intend to do. In this way the falsehoods spread by powerful international interests to confound Chile's ambitions and deflect us from our path will be dispelled. We must make our position clear to foreign eyes, and establish clarity of vision within our borders. This will only be achieved by raising the level of political consciousness and the capacities of the workers.

The shape of the society that we wish to establish lies still in the minds of the people. The task we are facing will be accomplished by nothing less than a great collective effort. The general attitude will reflect the attitude of each one of us. And each one of us must have the courage to recognize that he should be the first to set the example: worker, clerk, technician, professional and, above all, the student. For you, my young friends, are the most clear-sighted and have the greatest potential of us all. You are the least compromised both by what is past and by what is present. At the same time, you are destined to make the society of the future.

CHAPTER 10

President of Unidad Popular

Speech at the theatre of the Copper-Workers' Union

Chuquicamata, 21 February 1971

The programme which we propose is authentically Chilean. The strategy we have adopted is our own. This programme is not the programme of the Socialist Party, or the Communist Party, or the Radical Party, or the Social Democrat Party, nor of the API or the MAPU movements. Likewise, I have said that I am not the President of the Socialist Party, I am the President of Unidad Popular. That is what I have said, and this has provoked malicious and stupid criticisms to the effect that I am not the President of all the Chileans, either from the strictly political or the policy point of view.

As I have said before, it is my duty, and nothing shall hold me from it, to defend peace and progress and the rights of all Chileans, whatever their political affiliations. It is my duty to guarantee individual freedom, the right to organize, to make propaganda, to form unions, as it is my duty to guarantee absolute freedom of expression. Criticism made from an objective standpoint not only does not disturb me, it is necessary to me, for there is no government that does not make mistakes. The problem is to correct errors and accept criticism that is made on a sound and objective basis.

Of course I have also declared that I am not the President of the dealers and the speculators, of mercenaries and murderers, of the anti-patriots who have abandoned Chile, taking their money with them, and who are now plotting against

us from Mendoza, Cordoba and Buenos Aires. I am far from being their President in the political sense.

How can I be the President, in that sense, of the murderers of General Schneider? Certainly I am not, and those who attack me are distorting my words and maliciously seeking to influence the mass of the people, the middle classes, and the less politicized sectors.

But the country knows what I stand for. Above all it knows I shall be a President of all the people, here to carry out the programme of Unidad Popular.

CHAPTER 11

The United States of America

Speech in reply to a statement by President Nixon

Punta Arenas, 27 February 1971

I am aware of what it means to be President of a small country, but I affirm that the stature of a people is not measured by the number of its inhabitants, or by its riches or by its industrial development. I think that it is appropriate to select a few key paragraphs from a very long communication which the President of the United States has sent regarding relations with Chile. He makes certain reflections upon which I should like to comment. Basically this is what he has to say:

'We negotiate with governments as they are. These relations do not depend upon the internal structure or upon the social system, but on the actions which affect us and the inter-American organization. The new government in Chile is a case in point. The 1970 election of a socialist President may have profound implications not only for his people, but for the inter-American system of relations. The legitimacy of their government is not in question, but its ideology may influence its actions. Chile's decision to establish links with Communist Cuba, in opposition to the common policy of the OAS, is a challenge to the inter-American organization. Consequently we, and our colleagues in the OAS, will watch carefully the development of Chile's foreign policy. Our bilateral policy is to keep open our lines of communication. We shall not be the first to damage our traditional relationship. We assume that existing rights and obligations will be respected. We also recognize that the actions of the Chilean

government will be determined basically by their own final intentions, and that they will not be deflected from them simply by the tone of our policy.

'In short, we are prepared to maintain the kind of relations with the Chilean government which they are inclined to maintain with us.'

There are certainly positive elements in this declaration by the President of the United States. He acknowledges the legitimacy of the present Chilean government due to its democratic and legal origins; there is the willingness to co-operate with all Latin American countries, regardless of their ideological position, and to respect decisions taken by independent nations; and, in accepting the influence of the conference at Viña del Mar on the formulation of their policy for Latin America, there is the implicit agreement to study the economic plan and heed some of the much-repeated demands made by Latin America.

These positive aspects of the message could form the basis for a policy of understanding and reciprocal collaboration with the United States, since our own policy is based upon respect for the self-determination of all people, on non-intervention and on fulfilling agreements which have been freely undertaken. However, I must say that there are, in our opinion, some aspects of the message which are not so positive.

In his address, he repeatedly stresses the importance of the present organization of inter-American states, but identifies it with the interests of the United States. This reveals a fundamental mis-recognition of the basic facts in the political reality of the continent. Gabriel Valdés, Foreign Minister under Frei, proposed in a speech on 11 June 1969 – when he presented, on behalf of Latin America, the conclusions of the Viña del Mar conference to President Nixon himself – that there was 'a profound crisis in the concepts, the activities and the institutions of the inter-American system, which affects

the development of the entire hemisphere'. This crisis again came to the fore during the recent Assembly at Washington which met to discuss repression and the problem of terrorism.

No one can deny that the OAS and the entire inter-American system are entering a phase that could lead to a crisis. We declare that it is not true, that it is a myth that the United States is on an equal footing with the other members of the OAS. There is not, and there cannot be, any truth in the claim that the United States and a whole community of different ideologies and objectives could share the same interests. Inequality of condition among members of the organization, and a balance of power in favour of the United States, have meant advantages for the stronger members at the expense of the weaker. The interests of the United States and the interests of Latin America fundamentally have nothing in common. At the conference at Viña del Mar, the Foreign Ministers of Latin American countries stated openly that Latin America and the United States had divergent interests as the result of the dependence of the former on the latter. Here is what they said: 'The economic and scientific–technological gap which exists between the developing world and the developed nations has increased and will continue to increase, while the internal obstacles which hinder the rapid economic growth of Latin America are multiplying. One example of this situation is the disproportion that exists between what Latin America receives from the United States and what it yields in return. Private investment,' continues Foreign Minister Valdés, 'has meant and continues to mean for Latin America that the profits obtained from our continent are several times greater than the sum invested.'

There is no ideological identity of interests. The United States is concerned to maintain the *status quo* throughout the world, a *status quo* which has permitted them to attain and establish their hegemony. Latin America, as a dependent

and underdeveloped region, has to abolish that very *status quo* in order to put an end to such a condition. The ideology of the Latin American people, as expressed recently, seeks to end such dependence, and must, as an ideology, be progressive, reformist or revolutionary, favouring change in all cases to suit the real circumstances of each country, according to its history and to its idiosyncrasies. Chile wants to maintain cordial and co-operative relations with all nations in the world and most particularly with the United States, but this must be based on the recognition of the difference of interests between each country, and of the similarity of interests which ought to unite Latin America in general and in particular its sub-regional organizations.

This new policy, this way of regarding inter-American relations, was formulated at the conference of Viña del Mar and has been reaffirmed by CECLA.[1] It will be practised by our government as a way of guaranteeing and putting on an equal and realistic footing the basis of the relations between our country and the United States.

These ideas are not new to Chile or to Latin America. In 1969, Gabriel Valdés declared to President Nixon: 'However much international co-operation, and, in particular, inter-American co-operation, has been discussed in countless debates and exchanges at the highest levels, not only have we been unable to approach the planned objectives but the very gap between the two has widened. The reason for this is that the interests of the governments of Latin America and those of the United States are not the same. In fact each tends in many ways to contradict the other.'

For his part, the Brazilian minister, Magalhaes Pinto, said at the opening of the conference at Viña del Mar: 'We are aware that our unity is based upon Latin American character-

1. The Special Coordinating Commission for Latin America – a commission that unites the Latin American countries without the United States.

istics and upon a geography whose features extend from country to country and compose a common continental personality.'

Recognition of common interests should be the source to inspire our solidarity. A difference of interests does not mean that we cannot – and we must – resolve amicably our differences of opinion. We want to come to amicable agreements. That is how we would like to settle our decision to nationalize our copper, iron and saltpetre mines. This action should not, we believe, prejudice the area of positive relations we have with the United States.

That our attitude on this matter is not aggressive is shown in that, although we criticize the OAS system, we are remaining in the organization in order to discuss our point of view there. We hope that a dialogue will emerge that will open up new concepts of inter-American relations.

Finally I want to say a few words concerning the opinions expressed by the President of the United States about Chile's decision to re-establish diplomatic, commercial and cultural relations with Cuba. When the OAS broke off relations with Cuba, Chile did not express an opinion. Now, with the government of the Unidad Popular it has the moral and political duty to make good an injustice that was committed in the name of interests and ideologies that were not its own nor of its people. That is why we are establishing relations with Cuba again.

One cannot interpret this attitude on the part of the Chilean people as a threat to the inter-American system, not as we conceive it. It should be enough to remember that Mexico did not break off relations with Cuba. We want our attitude to be regarded as a serious and considered attempt to correct a policy and a procedure that have contributed to a crisis in the system. This should be based on peaceful co-existence, on the mutual respect of all its members and on the freedom of each one to maintain independent relations with all countries

in the world and especially with another Latin American government.

President Nixon has said that the United States is prepared to maintain with Chile the relations that Chile will maintain with them. The government of Chile wants amicable relations with the most powerful country in the hemisphere, providing we are allowed the freedom to express differences, to dissent and to negotiate from different points of view.

The government of Chile has not made a single utterance which could be interpreted as a reckless accusation. On the contrary, we have searched for every opportunity to discuss matters with the delegate of the American government, Charles Meyer, who came on the occasion of the message. We have had conversations with Admiral Humboldt, who suggested that we might like to see the warship *Enterprise* in our harbour. I told him that we accepted with the greatest pleasure and that I, as President of Chile, would invite the 3,600 members of the crew to come ashore, as I would like them to know how genuinely democratic the way of life is here in our country, and that here they will find respect for all opinions, all principles and for all manner of thought.

CHAPTER 12

Social Order and Legal Order

Speech opening the eighth international fair at Talca

Talca, 6 March 1971

This government is the result of an electoral confrontation which took place in a wholly legal and correct manner. I want to point out however that we declared before all citizens at an early stage that we had a certain programme – a programme worked out by the popular parties and movements which make up Unidad Popular – which, if we won the election, we intended to translate into real terms. We believe without question that this programme is designed to serve Chile and Chile's people well. That is why we are totally committed to put into practice the concepts and principles set down there.

I have said many times that we do not deny or ignore the contributions which other men and other governments have made towards Chile's progress. This land is not given life by Unidad Popular. What the victory of Unidad Popular generates is a new concept of social relationships and the sure hope of making structural changes and of creating a new awareness in the minds of the men and women of this country.

When we speak of the structural changes and social transformations we are planning, we are expressing ideas which are already in the minds of the majority of the people of Chile. We know that the programme we have initiated damages both national and international interests, both where monopolies are concerned and in the field of import and export.

At the same time we must realize that the programme of Unidad Popular offers the soundest and broadest guarantees of security for small- and medium-scale industries. For that reason I am proud to see these completed stands, the fruits of the labour and the capacities of the small firms in these provinces. These firms will receive the thoroughgoing and powerful support of the Unidad Popular government.

We have spoken of a process of radical transformation in the ownership and the exploitation of the land. We have kept strictly to the terms of the Land Reform Act. We do not deny, since this would be an improper attitude on the part of the government, and in this case of the President, that there is a situation of conflict in three or four provinces in Chile, concerning the ownership of land. We must understand that a programme of land reform cannot but damage certain interests. Profound social tensions are expressed in the peasants' hunger for land, peasants who, for many years, have looked on the chance of owning this land as a mirage. It is the Land Reform Act passed under the government of President Frei that we are now putting into practice – and have already done so – in order to realize the promise to abolish the large estates, those immense areas of land controlled by one man, by one company or by one family – land which has been poorly worked and which represented an economic and social blight. We intend to take over 1,000 estates this year. But there is nothing for the small- and medium-scale farmer to fear, because we extend the same consideration, the same respect and the same regard to such farms as we extend to their industrial and commercial counterparts in Chile.

These situations of conflict arise, without a doubt, because there are certain groups who do not understand that any pressures in this region, whether natural or contrived, can cause serious repercussions throughout the whole of Chile. Likewise there are groups among the landowners who do not understand that the tide of history can be held back neither

with repressive laws nor with dykes. All they can do is hold off the social avalanche for a few brief seconds.

I have made it clear to my colleagues that we are not lock-gates, we are canals – we want to channel and organize the great process of the transformation of Chile. And we are doing it with the responsibility of those who recognize the fundamental importance of respect for the human personality, for the guarantee of rights, as established by the political Constitution, for men, parties and institutions, as well as for ideologies and beliefs. Criticism, as I have said, is fundamental and necessary for a government. And we shall accept from our critics the advice we need to rectify our mistakes.

This is what we must understand: public order is one thing, but a new social order is another thing entirely. Public order is subject to juridical and legal forms. Social order involves material things, class positions, the confrontation of interests. The government over which I preside is the result of the efforts of popular forces. We have maintained public order because that is our duty. We shall transform social structures because for that we were elected. But we are doing so and we shall continue to do so within a legal and juridical framework. The political Constitution of Chile allows for the possibility of declaring a new Constitution within the terms of the existing one and we are exploring these avenues also.

CHAPTER 13

The Unions' and Workers' Aristocracy

Address to heads of departments involved in public administration

Santiago, 15 March 1971

I have considered suggesting to the Ministry of Labour that union executives should spend a few hours a day at work. Thus they will not become exclusively union executives who do not work and who sometimes spend years without working. I know perfectly well how much work is entailed in being a union executive. I do not consider it to be incompatible with the proper discharge of his duties for an executive to work for a few hours a day.

There cannot be a sector of privileged workers under a government which is genuinely of and for the people.

Let the workers realize that this is their government and that, being their government, there cannot, in any way, be a sector of workers claiming to occupy a place of greater influence, nor should they imagine that we are going to grant them limitless priorities. This would of course mean gross opportunism. It is the negation of a class position. It would be acceptance of a workers' aristocracy. If we were to tolerate that, with what right could we criticize the bourgeoisie, who are prepared, weapon in hand, to defend what one form of society taught them was their own, and what we shall have to take away from them?

CHAPTER 14

Organization and Production

Speech closing the plenary meeting of the Central Committee of the Chilean Socialist Party

Santiago, 16 March 1971

This battle must be fought with profound revolutionary spirit. We should encourage the people to mobilize and unite, not just to turn out in the streets at the first sign of subversive activities on the part of certain groups, but also to develop in themselves a sense of responsibility towards their work and the will to make a greater effort. What great satisfaction I felt as your President when I received the miners' reply that they would produce more coal; when our comrades in the saltpetre works confirmed that they too would produce more, and our copper-skinned comrades in the copper mines became united in their attitude to their work; when, far away in the industries of the southern zone, the comrades of the Austral Wool Company assure us that they will work and produce more. The workers of Tomé and Purina have also given assurances, and I know that tomorrow the word will also come from the lecture rooms, the hospitals and from all places of work. We must organize the people, and concern ourselves especially with marginal sectors, with the comrades who still suffer so much; we must organize for the retired, for the homeless, for workers in business and industry, more and more for the peasants, for women and for students. We intend to organize for the whole of the community, raise the level of their political consciousness and show them what these persons are trying to provoke and what we intend to avoid with the support of the revolutionary will of the people.

We intend soon to introduce the system of workers' participation in industry. We do not envisage a system of state capitalism but a march towards socialism. The participation of the worker in the economy must begin precisely with his participation in industry, commerce and the business world.

Comrades, there must be active popular participation in the running of our townships. There must be solidarity, and concern for the essentially public problems, the problems of a district, a sector or of the whole community. We must create a new concept of civic life, the essential base of the activities of the Popular State. The public services must become more democratic, so that the people will have greater opportunities for work and for cultural and recreational activities. We must have a coherent concept on which to base the planning of the economy. It gives me great satisfaction to be able to say that for the first time in the history of Chile a government has today published, in *La Nación*, a summary of the programme for 1971, listing all the activities to be undertaken by the government. But that programme has only one driving force – the enthusiasm of an informed and revolutionary people, masters of their own destiny, whose efforts spring from the strength of their convictions.

CHAPTER 15

Statements Made Abroad

Interview with the foreign press

Santiago, 17 March 1971

QUESTIONER (*Village Voice*, New York): What effect could the Chilean experiment have on the governments and the militant youth of other Latin American countries?

ALLENDE: We have stated that we respect self-determination and that we support non-intervention. Now, if there are conditions in other countries which allow the people to unite, then that must be the concern of those countries. And, if they are going to apply the same strategy as ours, then it has to be done with the agreement of the political leaders of those countries. But, of course, for this to happen there must exist certain conditions which are by no means everyday. There must be political parties, there must be trade-union organizations, there must be currents of public opinion that may be expressed freely. There has to exist even the broad play of the forces of bourgeois democracy. Now, it is possible that in certain European countries, such as France or Italy, there are currents of political opinion which consider that the path of unity will one day lead to electoral victory. That will be their concern and not ours. If this happens and victory is theirs, all well and good. But what we are doing is mapping out a Chilean road in view of the realities Chile has to face. And if this experiment is repeated, because the leaders of other countries want to profit from our experiences, and if they have

suitable conditions to convert experiment into political reality, then excellent, but all in good time.

Young people will see that a road is opening up which up to now has been trodden by no one. And they have a great responsibility, for without question the energy, the dynamism, the revolutionary awareness of youth is what we need; because it is the most healthy form of strength, the most committed strength. They are the present, but more than anything else they represent the future. They are socialism. And that is why we are so pleased that young people have understood the significance of the phase that Chile is working through. And I mean young people not only in Unidad Popular, but young people without political commitment and even some sections of the Christian Democrats: this pleases us very much.

QUESTIONER: I wanted to follow up the question of my colleague from Peru. What are the necessary preconditions for there to be in Chile a republic of workers and peasants?

ALLENDE: We have never spoken of a republic of workers and peasants. We have always spoken of a government of workers, and we do not make it the exclusive duty of workers and peasants to manage or intervene in the processes of government. We believe that clerks, technicians, professional people, small- and medium-scale businessmen and industrialists constitute social forces which ought to be and are with us facing the great national task which lies before us. The position of these groups is very different from that of sectors of the upper bourgeoisie, the oligarchy allied to foreign capital or the great landowners.

We have never, comrades, said that there would be a republic of workers and peasants. We have said that there would be workers in the government, and it is well to understand the difference.

I have already defined what we mean by workers: all those who live by their own work, by their own efforts, and not, directly or indirectly, from the exploitation of man by man.

(*Television News Service*, New York)

CHAPTER 16

Sedition

Speech in the Plaza de la Constitución

Santiago, 30 March 1971

The VOL has been formed – the Organized Liberation Vanguard. Imagine, they speak of liberation when we have been struggling to liberate Chile from economic and cultural dependence. GRACO – the Group for Anti-Communism. They have claimed, and continue to claim – there is indeed a newspaper, whose name I do not even wish to remember, which is administering the poison drop by drop – that it is the Communist Party which gives the orders here, that the Communist Party is going to lock up Allende, that it is going to tie the hands of the President, that it is going to be the most powerful party and will impose its will on Chile.

The whole of Chile knows the appreciation and respect that I feel for the comrades in the Communist Party, but what I said during the campaign I must now repeat. In this government it is not the Communist Party that gives the orders, nor the Socialist Party, nor the Radicals, nor the Social Democrats, nor MAPU or API. In this government Unidad Popular gives the orders, as the interpreter of the will of the people. In this government there is a comrade with genuine respect for his friends and associates – the leaders of the popular parties. But in this government there is, by constitutional mandate, a senior official, and this senior official is myself – the President of Chile and your comrade.

There are other groups or groupuscules. There is the FTR, the Workers' Revolutionary Front, the MAR, the Advance

Movement for Recuperation and there is yet another, the MOCI, the Independent Christian Movement.

It is very gratifying to see how this government, led by a Marxist, has not and will not have any conflicts at all with any of the churches that there are in Chile. And least of all, I am sure, with the Roman Catholic Church, the faith held by the majority of Chileans. For the Church understands these events. She understands the need for unity with the people. I can announce that many religious groups released the bank shares they possessed so that the banks should belong to the Chilean state.

There are other small groups like 'the red berets' – they want to play-act to that extent; they also want to put on red berets: red on the outside and yellow inside! There is also the National Civic Front: groups, groupuscules and even smaller groups, all obeying the same voice and the same orders. And this is what they called the 'Sixty-Day Plan': they first wanted to unite all opposition parties. They did not succeed, and so they began a furious press campaign – both national and international – designed to convey an impression of chaos, disorganization, repression and totalitarianism. They have not succeeded. Another campaign was waged to provoke a clash between the MIR[1] and the Communist Party. Again they failed. They tried to magnify supposed differences with the Radical Party in order for it to break away from Unidad Popular. They did not and they will not succeed. They are now trying to impose economic boycotts aimed primarily at increasing redundancy and exploiting scarcity of supplies. Recently Deputy Insunza revealed that twenty-five tons of copper had been thrown into the river at El Teniente. Their policy is to create an atmosphere of popular agitation and thus provoke repression: that is, that we should take repressive measures. To this end there were agents who were negotiating with the keys of both completed and

1. Movement of the Revolutionary Left.

uncompleted apartments – and doing very good business. I have already criticized members of Unidad Popular who would have liked to reserve themselves a house under construction or one ready for occupation which in fact belonged to a labourer or a clerk. I called upon their sense of responsibility to relinquish a house that would only have belonged to them at the cost of depriving another family.

These people would like to see an atmosphere of terror in the countryside as well as in the towns. They tried to create a panic in the minds of the public by assassinating General Schneider, and they were planning the escape from prison of Viaux[2] and other gentlemen who still have some time to spend there.

Attempts have also been made to infiltrate the armed forces, and their families, again without the slightest success. They have had the insolence to demand that they be recognized as military commanders. They have even sent telegrams to the Commander-in-Chief of the Army in which they denounce certain takeovers.

When I say insolence, I mean just that, for these are attempts to disregard civil authority, and they imagine that the armed forces are going to listen to their siren songs. I can assure you that the armed forces of Chile and the Corps of the Carabineros have and will continue to have great respect for the Constitution, for the law and for the will of the people as expressed through the ballot box.

2. Prematurely retired in October 1969, General Roberto Viaux was the central figure in a movement within the armed forces to gain greater influence and importance in Chilean politics. The 'Viaux Affair', to which the threatened Frei government responded with a state of emergency, illustrated the division within the armed forces and the alliance of certain military elements with extreme-right political groups. In the aftermath of the 'Affair', General René Schneider was appointed Commander-in-Chief of the Army, only to be assassinated a year later by right-wing terrorists. Ex-General Viaux was then arrested on charges of complicity in the crime.

They have established where we live and have made dossiers on leading citizens and politicians containing our addresses and lists of our activities. But here we do not live in a state of anxious apprehension, we are not haunted by the fear that they are going to take over the government, because we know where the basis of support for this government lies, and that is in the unity of the people, in the will of the vast majority of Chileans.

With flattery and with soft words they have tried to alienate me from the parties of Unidad Popular. Yesterday's agitator is today's democrat, they say; the only person who can inspire confidence is President Allende and that is the supreme guarantee – for now! In the past he was an agitator and a subversive. Well, let them understand this: nowadays my revolutionary zeal is much greater than in the past because now I know a great deal more about the plight of my people and my country.

They have tried to organize, equip and arm certain groups in order to attack workers. I warn them that the government has considerable evidence, for they have left fingerprints in several places. I have told them with great calm and I am repeating it now: we do not want violence, we do not need violence. We shall respond with the law for as long as their actions remain within the law. But if they want to deviate from the institutionality which they created, if they overstep the limits of the law and use violence, they should know that reactionary violence will be countered with the revolutionary violence of the people.

Let us go further into this, comrades, for there are still some details which I should like you to know. Their Sixty-Day Plan, which was planned to the letter, came to nothing, because the government did not apply repressive measures; because there were no confrontations between militants of Unidad Popular or left-wing groups; because day by day the government wins greater and greater support from the people

and greater understanding from honest sectors in production, industry and commerce. However, despite these failures, they continue to make attempts to win over representatives of opinion in industry and commerce, since they found that the armed forces were models of civic and professional responsibility.

A plan has been concocted known as 'March'. What is this plan? First of all the aim is to convince many sectors of public opinion that with us the constitutional state comes to an end, that the authority of the government has been set aside. Yet what could be further from the truth! I stated during the campaign that the government's authority would derive from the moral strength it possessed and will possess through the support of the popular masses. For that reason we believe that this authority enables us to say that an offence was done to fellow citizens in the cases I have mentioned when houses and estates were improperly occupied. For we realize that the social conflicts resulting from the unjust inequalities of our society deserve to be considered from a different point of view. Precisely because the people are in government, authority cannot be set aside. And they cannot claim that we have not respected their rights, although we know that they are conspiring against us and trying to undermine the moral base which upholds this government.

We have respected these rights because we know that this is the right and proper duty of a government. I have often said that we welcome criticism because from it there are lessons to be learned. What we reject is not criticism but conspiracy and the attempted sedition that is being fomented by some malevolent sectors of our society. They are the source of a whole range of rumours and accusations made against Ministers and high-ranking officials in the government. They make denunciations of trumped-up scandals aimed at destroying our moral prestige. They have exploited the situation of the most underprivileged, of the unemployed and the home-

less, trying to provoke them into taking action which will terrorize the middle class and the petty bourgeoisie. They spread rumours about plans to take over all holiday homes, for example. One senator came to me and asked if this was agreed policy. I laughed and said that, as I had a holiday home, that would be the first to go, but it had not, so he should put his mind at rest.

Some of the unemployed have been infiltrated. It is a matter of very great concern to have to admit the problem of unemployment, and that this cannot be remedied overnight. But it is highly important for the people to know that at the head of a certain group of unemployed men was a common criminal hired to cause trouble for the government. The workers who are unemployed know that we have given the question of unemployment the priority of position of a a national disaster. And if we cannot over a year or two put an end to a plight in which Chile has been for a century and a half, then at least we shall be devoting all our attention and all our efforts to that end. For that reason I have asked to chair the Commission which will bring to a halt, reduce and, in a reasonable period of time, eliminate the state of strain and anxiety which still afflicts hundreds of thousands of Chilean people.

This 'March' plan has meant a change of attitude in the Christian Democrat Party. Its right wing has hardened and has tried to isolate the left wing, which is sympathetic to the difficulties of the people, which conceived Tomic's programme and whose attitude has always been most correct. They have launched a campaign of false rumours and accusations which suggest that the government is intending to defraud the people in next Sunday's elections.[3]

They persist in their efforts to undermine the Radical Party, in trying to force the resignation of some members

3. Municipal elections held on 4 April 1971, which gave UP an emphatic if slim majority of the popular vote.

of Parliament as well as of some high-ranking government officials, thus hoping to create a crisis in the government. They would like to eliminate the executive cadres in what they call sectors of the extreme left, to avoid any chance of activity on their part once – and this is their ambition – once they take power by illegal means: basically the MIR is a very sore thorn in their flesh.

What they would like is a confrontation between the MIR and the armed forces and the Carabineros. They have exploited trouble spots on the frontiers in order to try to create international friction. The government has issued a decree of vital importance establishing frontier zones. We have taken over 257,000 hectares in areas where there were very few inhabitants per square kilometre; areas inhabited by timber workers whose economic condition is even worse than that of the peasants. We have taken these over in order to set up a project through the Ministries of Defence, of Education and of the Interior which will lead to the population of these zones by more and more Chileans. This will bring employment. We shall establish a large industrial complex there which will unite our patriotism with our independence in full co-operation with the armed forces, the Ministry of Education and the Ministry of the Interior.

CHAPTER 17

Latin America Emerges from Underdevelopment

Speech opening the fourteenth annual session of the United Nations Economic Commission for Latin America (CEPAL)

Santiago, 27 April 1971

As we assemble today to begin another debate on the economy of Latin America, it is important to bear in mind what CEPAL has meant up to now.

It is not enough to recount the disappointments of the past decade. At the start of the new one, we must apply such experience to our present obligations and map out an appropriate economic strategy. In the coming decade, the session which we are inaugurating today will have to redress the balance of what then took place in quantitive terms; it is an opportunity to analyse in depth exactly what is happening in our countries and to anticipate the historical tasks which lie ahead.

We are witnesses to the awakening of a profound revolutionary consciousness. Each day more and more of us reject the existing system, and rightly so. For we must keep reiterating, until these facts are driven home to everyone, these appalling figures which you yourselves have so often uttered in anxious voices, which we have so often repeated with tones of despair and which have so often fallen on deaf ears.

More than 30 per cent of our population is illiterate – 80 million people. 11 per cent of the labour force is totally unemployed, 9 million in forced retirement, 28 per cent of the labour force is underemployed, 75 million workers make

a minimum contribution to the development of the continent. Each person consumes an average of 2,500 calories per day, compared with more than 3,000 per person in developed countries; 65 grams of protein per day, compared with 100 grams in European countries. This means malnutrition, constant hunger, listlessness and irreparable brain damage.

Year after year, foreign investors have drawn profits far in excess of the sum invested. Since 1962, the profits obtained from Latin America have exceeded investments by $1,000 million. Since the middle sixties, our repayments on loan facilities have totalled more than our new debts. The foreign debt of our continent reaches astronomical figures. Day by day the distance between the industrialized and the developing countries grows greater and greater.

Some nations have shown a temporary growth, but invariably this has remained restricted to the modern sector of the economy, without affecting the rest of the system. The increase in revenue has gone into the hands of a disproportionate few, and the rate of this sporadic growth has not reflected an organic expansion of the economy.

Unequal distribution of revenues, and economic plus technical dependence, have marched hand in hand in the traditional model. With them has co-existed the phenomenon of *marginalidad* – the exclusion of great numbers of people, of millions of people, from any participation in the collective effort. More than 15 million Latin Americans do not even know money as a form of exchange. These are the concrete and living forms of the historical pattern of our continent. Despite all this, a small minority is still permitted to own the land, the factories and the mines, and to exercise unquestioned political power.

This brutal reality is condemned daily by workers, students, peasants, technologists and professional and clerical workers. The unemployed suffer most of all. This brutal reality must be destroyed. The nations of Latin America, except Cuba and

Chile, still have to face a fundamental decision in the economic field: either to continue along the same pattern of growth, or to create the conditions for development of a different kind. This system, which has prevailed for so long, this pattern of historical development, accentuates economic and technological dependence. Starting with control of primary resources, it has gradually taken over industry, the banks, services and markets. It has gained control of investments, culture, technology and science, until finally a totally dominated society has been created.

Faced with these facts, our people are searching for other forms of development, each one suited to their national characteristics, but which at the same time – necessarily, for we share a common yoke – will have many elements in common. We are all fighting for our independence, for the affirmation of our own values, for the expansion of foreign markets and the joint exploitation of complementary ones. We are trying to trade on equal terms. We need an economic surplus to remain in the country to be shared among workers, not among a small group of proprietors. We need a distribution of income based both on humane considerations, so that the needs of our people should be met, and on technical grounds, so that our trading position may improve. Our internal regional economy must be organized to prevent the concentration of productive processes in but one or a few zones of the country. We must arrange a smooth development at economically integrated intervals, because a centralizing capitalism results in internal colonialism, which is just as destructive as any other.

Our frustration, both as a continent and as individual nations, has led inevitably to the crisis of the OAS, as was evidenced some days ago at the Foreign Ministers' Conference at San José in Costa Rica, where Chile's opinions were made abundantly clear. Let us point out the two fictitious notions which govern the policy of that organization – one,

that all twenty-three nations meet on equal terms, and, two, that they all have common interests, aims and ideals.

Certainly, it is essential to make sure that this becomes a fact.

But, our needs will never be met as long as we do not abandon the existing structure of relations between production and labour, or while we continue to concentrate economic power, and consequently political power as well. Only by fundamental structural changes – agrarian reform, the nationalization of basic wealth and of the banks, the reform of political institutions, the reconstruction of industry – only thus will it be possible better to grasp and mobilize the economic surplus, directing it to a planned development which will satisfy the basic needs of the population. Only with measures of this magnitude will we be able to put an end to stagnation, poverty and the violence of dependence.

The necessity of changing the economic structure has been imposed on us by objective conditions. Chile spends more than $200 million a year on importing food-stuffs. By the end of the century, if there is no substantial change in our agriculture, we will be having to import more than $1,000 million worth of food, in spite of having adequate land, water and marine resources. Another fact is that the country has been continually drained of its basic wealth by foreign capital. Between 1910 and 1970, in the form of remittances, as profits, or in the form of various services, we have handed over $2,850 million. $1,300,000 leave this country every day. That is the daily wage of one million workers.

Our government has chosen its own path. It is a path of change which will lead to a new economy. It is a path leading to a socialism which will benefit from our finer traditions, and enrich them with the creative energy of a people dedicated to their liberation.

Nationalization will take place within the terms of our

legal system, in the exercise of our sovereignty and in accordance with the resolutions of the United Nations. The interests of the whole people come before those of particular individuals.

Neither unfair nor arbitrary sanctions nor the threat of force will hold back the advance of the people. We demand full respect for self-determination and for non-intervention in the affairs of sovereign states. The dignity of nations is not measured by per capita income.

Every day we become more aware of the frustration and suffering to which the traditional economic regimes and foreign domination subject our workers and all those who do not share the privilege of belonging to the ruling economic minority.

The continued and cumulative efforts of our political movements and our trade unions throughout many decades have prevented the frustration and incompetence of the capitalist system from exhausting the energy of the people, or from mystifying those who do not partake of privilege, or from artificially integrating them into the very system to be overthrown.

The Chilean people, after years of political and social struggle along a path marked by partial successes and partial defeats, has achieved an extraordinary victory. Its great significance lies in the fact that it marks the end of an era and the beginning of a new age. The people have recognized their proper role. They have reached the seat of government and advance now to take control of the nation's affairs.

I come before you as the representative not merely of a government, but of a politically mature people who, in complete freedom and understanding when faced with the alternative, rejected the continuation of a repressive system of production.

Our analysis of the irrational disequilibrium which char-

acterizes the Chilean economic system agrees in quantitive terms with the analysis of CEPAL. But the Chilean government diverges from the political content there implied, in our plans for socio-economic changes. We are still formulating the theoretical premises on which these changes are based, the means by which to institute them and the goals to which they tend.

The experience of Chile and of so many other countries demonstrates the enormous limitations of the capitalist structure in satisfying the needs of the masses, whatever the extent of their internal development. In the case of Latin America its inadequacies are multiplied by the distorted features of a global system of production and exchange in which we have been given, and continue to suffer, the subordinate role that has allowed us to be exploited to an intolerable degree. Our internal economic structures are distorted, and within our own national boundaries a pattern of dominant and dominated areas has been created which puts ever greater distances between integral parts of one and the same social and economic unit.

The Chilean government and its people have taken the responsibility of directing all their energy as an organized nation to the free construction of their own future, upon the basis of their own resources and of a new international cooperation, which rejects any domination of the majority by a few economic systems.

Hence the priority we have granted to the recovery of our natural basic wealth and to the opening-up of economic and political barriers which artificially separated our people from socialist countries. Hence our concern to maintain commercial relations with all the countries of the world, based upon that mutual respect among all people which should be demanded by small and poor nations.

As a result of these principles, our country chose as its first task to end the unjust isolation imposed upon Cuba. It is

solidarity which leads us on resolutely to make every effort now, as in the future, to establish new channels of co-operation between our economies; a necessary step if we wish Latin American unity to become a concrete and tangible reality. In this sense, the progress made in the Andean Pact provides hope for the coming decade.

CEPAL's contribution to this task should continue to be substantial. Because of this we should like it to continue in even closer collaboration with CECLA,[1] bringing to it its technical resources. We hope, also, that in the more distant future it might co-ordinate its activities with sister commissions for Africa and Asia, towards the solution of common problems.

The Unidad Popular government of Chile realizes that a genuine economic development is very different from simple economic growth. It realizes that our development depends upon transforming the base on which the system of internal and external exploitation stands. It knows that these foundations will be modified only to the extent that political and economic power is held by the great majority, and the extent to which the people actually have the power of decision. Popular participation, indispensable for the establishing of a socialist order, is beginning now throughout the whole of Chile. It will soon take a decisive step when it calls upon the workers of the public and mixed sectors to become members of management councils, having a number of representatives equal to those in the councils of state organizations. Only together with the workers, with their awareness and their sacrifice, can we put an end to inflation and unemployment. Only by learning more, by producing more and by working more for the good of all the people can nations make any progress at all.

The government of Chile has received a mandate to make further changes in the existing structures. Reformist and

1. Special Co-ordinating Commission for Latin America.

neo-capitalist policies have been applied in Chile and we are all familiar with the consequences.

Our country's road to development lies in synchronizing our economic and political changes. That is our only means of escape from dependence on foreign aid.

The problem is to make substantial changes in political and economic power, while observing the limits set down by existing laws. At the same time we must construct a new legal order and the embryo of a future institutionality by means of existing institutional mechanisms.

This government is going to work out a new institutional structure and establish a legal system which will serve the interests of the people. We intend to achieve this not by means of violent destruction, but by dismantling the existing order and restoring it in a progressive form, as soon as the understanding of our people and our technical resources will allow.

We prefer to make our revolution, not to speak of it.

Today in Chile we have pluralism, legality and public freedom, thanks to the efforts and sacrifices of many generations. The road we shall follow towards socialism will strengthen these victories, so that they may operate truly in the service of the great majority.

We know it is difficult. The task is itself immense, gigantic. The way we have chosen brings with it additional obstacles, for the powerful interests which see themselves threatened will resist by any means whatever.

They have not hesitated to murder the Commander-in-Chief of the armed forces in an insane attempt to prevent the realization of the will of the people.

But our country takes up this challenge in full recognition of its dimensions, of its hopes and also of the risks it entails.

Gentlemen delegates, I have the honour to inaugurate the present conference at the moment that our country takes up this task.

As President of Chile, I ask you to have understanding for our situation; I ask for your solidarity; I invite you to work with us to meet the dire needs of Latin America, this continent of peoples.

CHAPTER 18

Violence

Speech broadcast on radio and television on Labour Day

Santiago, 1 May 1971

Comrades, the Revolution, the destiny and future of Chile lie in your hands. If we fail in the economic sphere, we shall fail in the political sphere, and this would mean bitterness and disillusion for millions of Chileans, and for millions of our brothers in other continents who are watching and supporting us.

We must realize that far beyond our frontiers, in Africa and Asia, and also here in the heart of Latin America, men and women are watching us with passionate and comradely interest. Consider, comrades, how in other lands the people have risen up to make a revolution and been confounded by the counter-revolution. Torrents of blood, imprisonment and death mark the paths of struggle of many lands in many continents. Even in those countries where the Revolution did triumph, the social cost has been very high. It has been paid for in lives, comrades, paid for with the priceless lives of children, men and women. Even in those countries where the Revolution triumphed, they still had to overcome the economic chaos caused by the struggle and trauma of combat or civil war. Here we can make the Revolution along lines that Chile has established, at the minimum social cost, without sacrificing lives and without disorganizing production.

Passionately I appeal to you, with the concern of an elder brother, to take up a responsible attitude. As your comrade President, I call on you, workers and fellow countrymen, to protect the future of Chile, for it lies in your hands.

CHAPTER 19

The Armed Forces and the Carabineros

Interview with the foreign press

Santiago, 5 May 1971

We are proud of the professional role of our armed forces. The great characteristic of the armed forces of Chile has been their obedience to the civil authority, their unquestioned regard for the public will as expressed in the ballots, for the laws of Chile and for the Chilean Constitution. It is my firm intention, as it is of Unidad Popular, that the armed forces will maintain their professional attitude.

The armed forces of Chile are the armed forces of the country. They are not at the service of one man, nor of one government. They are of the nation, and this is one of the factors which characterize Chile and distinguish it from other countries.

But we believe that the armed forces should not remain on the fringes of what is now taking place and that consequently they should be integrated directly with Chile's process of development. We cannot have powerful armed forces in a country with high rates of mortality and sickness. We cannot afford to have armed forces which are technologically advanced and disproportionately well-equipped in a country whose economic development is inadequate. Either we spend the greater part of our budget on them, as happens in other countries, where up to 70 per cent of the budget goes on the armed forces while the people die of hunger (and in fact these armies are basically weak), or quite simply, the armed forces participate – without detriment to their professional status

and with no attempt being made to politicize them in the direction of one or another party or group of parties – in the broad policies of the nation.

We have tried to make clear what we mean in such a case, for example, by pointing out that the armed forces should be represented in those organizations where they might be interested for technical reasons.

For example, how could it not be important for the armed forces to participate in the control of the copper industry, since a percentage of the income obtained from copper is destined by law to finance the needs of the armed forces? How can it be unimportant for the armed forces to participate in steel production? Or that they participate in the Commission for Atomic Energy? How is it not important for the armed forces to be involved in the Council for Research and Scientific Development, the nature of which is profoundly universal?

These are brief examples of what I am proposing. But I expect the professional character of the armed forces to remain unquestioned and there will be absolute respect for this character on the part of the government throughout their participation in aspects of economic developments of vital concern to Chile, and which should also concern the armed forces. How could we not be concerned for example if ASMAR, which is a small shipyard, were to become the only shipyard? That lies in the hands of the armed forces. How would it not concern us if the FAMAE munitions factory were not able to reach a level of production to supply its fixed percentage of the Army's needs? But the fact is that for this to happen there must be available certain established grades of steel, and so the presence of men from the armed forces in the CAP (the Pacific Steel Company) is important, just as from the economic angle their presence will be important in the copper industry.

How could it not be important for Chile to exploit the

capacities – which they possess to a high degree – of officers and other leaders in the Chilean armed forces? How could it not be important to exploit them not only in their military capacity but in the field of scientific knowledge? That is what we have the Polytechnic Academy for, in order to train leaders to a high standard. Why should we waste these capacities? We are not giving them a political role but adapting them to processes of which no government could disapprove. What government could say that it is a mistake to increase steel production and to produce different grades of steel? What government could say that it was not important, indeed decisive and essential, for Chile not only to produce more copper but to produce it in treated and semi-treated forms?

We fully recognize that the armed forces have by tradition a sense of professional standing and that it is their duty to maintain Chile's integrity and full sovereignty along her frontiers. But they have also at all times had an important social function, especially in the southern areas. The aeroplanes of the armed forces have been a unifying factor for the people. They have helped and co-operated on the canals, where great professional and technical skills are needed. They carry merchandise, they transport settlers, establish communications, carry supplies to lighthouses and so on. The Army is on the frontiers or near them and the barracks are no doubt an element in equipping the citizen with national awareness – not a chauvinistic or mock-heroic patriotism, but a deep and sober sense of nationhood. We must realize that those who come to the barracks are sons of the land, sons of workers.

Why should we not use to the full this energy, in the fields where the armed forces, and particularly the Army, can and wish to co-operate? We have discussed this subject in public because it is a need felt strongly by the country and clearly recognized by the armed forces.

CHAPTER 20

The Chilean Road to Socialism

First annual message to Congress

Santiago, 21 May 1971

I come before you in compliance with my constitutional mandate. My address to you is doubly significant: it is the first address of a government that has recently come to power, and it is delivered in the face of what are unique conditions for our country. Because of that, it contains a very special message, as befits the importance of the present moment and our future aspirations.

For twenty-seven years I have attended this Assembly, nearly always as a member of the Opposition. Today, I am here as Head of State by the will of the people as ratified by Congress.

Here, I am much aware, bills were debated and made law which allowed the establishment of the latifundia system. But here too obsolete institutions were abolished in order to lay the legal foundations for the agrarian reform which we shall put into practice. The institutional means which allow foreign exploitation of Chile's natural resources were established here. But this same Parliament is now revising them, to restore to Chileans that which is theirs by right.

Congress works out the legality of institutions, and it regulates the social order in which it has its place. Because of this, for more than a century it has been more aware of the interests of the powerful than of the suffering people.

At the start I must pose this problem: Chile is now governed by a new political force whose social intention is no

longer to support the traditional ruling class but the great majority of the people. To this change in the power structure there must be a corresponding and necessarily radical transformation of the socio-economic order: it is the task of this Parliament to institute such a transformation.

The advances already made in releasing Chilean energies to rebuild the nation will have to be followed up by more decisive steps. Further reforms must be added to land reform and to the nationalization of copper, which now awaits the approval of Congress. These will take place, be it on Parliamentary initiative or by the proposal of the Executive, by joint action of these two bodies or by legal recourse to the basis of all power, which is the sovereign will of the people, as expressed in a plebiscite.

It is a challenge to us to accomplish everything in legal terms. There is an urgent need to ask of every law, of each existing institution, and even of each individual, whether they are or are not serving the cause of our own independent and autonomous development.

Seldom in history has the Parliament of any nation been faced with a challenge of this magnitude.

THE OVERTHROW OF CAPITALISM IN CHILE

The situation of Russia in 1917 and that of Chile today are very different. Nonetheless, the historical challenge is similar.

Russia in 1917 made a decision which has had the greatest effect upon contemporary history. There they believed it was possible for the backward areas of Europe to draw ahead of the Europe which was developed and that the first socialist revolution did not necessarily have to take place in the heart of the industrialized areas. There they took up the challenge and set up one of the forms for the construction of the socialist society, that is, a dictatorship of the proletariat.

Nowadays, no one doubts that nations with huge popula-

tions can in this way in relatively brief periods overcome their backwardness and reach the heights of contemporary civilization. The examples of the USSR and the People's Republic of China speak for themselves.

As Russia was then, so Chile today is faced with the necessity of finding a new way to build a socialist society – our revolutionary path is the pluralist path, anticipated by the classic theorists of Marxism but which has never before become a concrete fact. Social philosophers have always supposed that the first to put it into practice would be the more developed nations, probably Italy or France, with their powerful Marxist working-class parties.

However, once more history has broken with past patterns. The opportunity has arisen to build a new model of society, not just where, in theory, it was to be expected, but where concrete conditions have arisen which favoured its emergence. Chile is today the first nation in the world called upon to set up the second model for transition to a socialist society.

This challenge has aroused lively interest beyond our own immediate frontiers. Everyone knows and feels that here and now history is beginning another cycle, whose span will depend on the extent to which we Chileans understand what we are doing. Some of us, just a few perhaps, see only the difficulties of the task. Others, the majority, are seeking ways to tackle it successfully. For my part, I am confident that we shall have the energy and the capacity to carry our effort forward, to the first socialist society built according to the principles of democracy, plurality and liberty.

Sceptics and catastrophe-mongers will say it is impossible. They will say that a Parliament which served the ruling class so well is incapable of transforming itself to the point where it can be the Parliament of the Chilean people.

Furthermore, it has been emphatically claimed that the armed forces and the Carabineros, the supporters till now of the institutional system which we shall overthrow, would

not agree to support the will of the people in their decision to build socialism in our country. But they do not take into account the patriotism of our armed forces and of the Carabineros, their traditional professionalism and their submission to the civil authority. To put it in General Schneider's own words, the armed forces being 'a unifying and representative part of the nation and a structure of the state, there are within both permanent and temporary elements which organize and counterbalance the periodic changes which occur in political life under a legal regime'.

For my part I declare, gentlemen members of the National Congress, that, as this institution is based on the votes of the people, there is nothing in its essential nature to prevent it becoming transformed into the Parliament of the people. I assure you that the Chilean armed forces and the Corps of the Carabineros, loyal to their duty and to their tradition of non-interference in political affairs, will support a social system which answers to the will of the people as expressed in terms which the Constitution shall establish. A system which shall be more just, more humane and worth while for all, but above all for the workers, who until today have given so much and received almost nothing in return.

The problems we have to face do not lie in that camp. They lie in fact in the extraordinary complexity of the tasks that await us – the task of directing our political institutions towards socialism, and to succeed in so doing, in face of the realities of the situation in which we find ourselves today, the reality of a society oppressed by the backwardness and poverty which accompany dependence and underdevelopment; the task of breaking away from the factors causing our backwardness and, at the same time, of setting up a new socio-economic structure capable of providing general prosperity.

The causes of backwardness lay, and still lie, in the alliance of the traditional ruling class with external forces of sub-

jugation and with internal class exploitation. This combination led to the enrichment of foreign interests and the appropriation of profits made by our workers, leaving the latter with the absolute minimum necessary to restore their capacity for further work.

Our first task is to release the stranglehold of this structure, which results only in deformed growth. At the same time we must build up the new economy in such a way that it will follow the other without a break in continuity. We must build it while preserving the productive and technical capacities which we attained in spite of the stresses of underdevelopment. We must build it without artificial crises provoked by those who see their archaic privileges threatened.

Above all these basic questions there is one yet more fundamental: How is a man, especially a young man, to develop a sense of commitment that will give him a new joy in living and lend dignity to his existence? The only way is to dedicate oneself to great suprapersonal tasks, as though transcending the human condition itself, degraded as it has been by division into the privileged and the dispossessed.

No one can envisage solutions today to problems that lie in the distant future, when everyone is prosperous, when all material needs are satisfied and the cultural heritage of humanity is shared by all. But here and now, in Chile and in Latin America, we have the opportunity and the duty to release our creative energy, especially that of our young people, for a mission that concerns us far more than any other undertaking in the past.

This is our hope: to construct a world where there shall be no division between rich and poor. In our case, to create a society where it is forbidden for one man to make war upon another in the name of economic competition; where there will be no point in struggling for professional privileges, and

none of the indifference to the fate of others which enables the strong to extort gain from the weak.

Rarely have men needed as much faith in themselves as they do now, as much faith too in their capacity to re-create the world, to make life anew.

This is an age without equal – an age that provides us with the practical means to realize the utopias of the past. We are hampered only by an inherited burden of greed, fear, and obsolete institutions. Only the act of throwing off this ancient burden separates us from the time when all men will be free throughout the world. Only in this way can men be urged to assert themselves, not as the products of a history of slavery and exploitation, but in the full acceptance of their finest potential. That is the ideal of socialism.

A naïve observer, situated in some country that already possesses those material means, might suppose that this attitude represents a new style of asking for help on the part of backward countries, yet another appeal by the poor for the charity of the rich. Nothing could be further from the truth. The internal re-ordering of all societies under the hegemony of the dispossessed, and the modification of international relations demanded by exploited peoples, will result not just in abolishing the poverty and backwardness of the poor, but in releasing the rich nations from being condemned to play a despotic role. As the emancipation of the slave liberates the master, so the socialist structure contemplated by the peoples of our own time means as much to the privileged as to the disinherited nations – the chains degrading both societies will be broken.

Gentlemen members of the National Congress, I stand here to urge you to rebuild the Chilean nation as we have dreamed it should be. To build a Chile whose children begin their lives in conditions of equality – equal opportunities to receive medical attention; equal opportunities in education; equal chances of having enough to eat. A Chile where the

creative capacity of every man and woman may develop, not in defiance of everyone else, but with the aim of a better life for all.

OUR WAY TO SOCIALISM

There is a long way to go. Enormous efforts must be made on the part of every Chilean before these hopes can be realized. A fundamental requirement is that we should establish institutional channels for the attainment of the new socialist order in a pluralistic and free manner. The task is of particular complexity. There are no precedents from which to take example. We are treading a new path, marching without a guide in unknown territories; as our compass we have our loyalty to the humanism of all times – particularly the Marxist humanism – and we keep as our Pole Star the image of the society we aspire to, inspired as it is by the deepest needs and desires of the people of Chile.

As far as science and technology are concerned, it has proved possible for some time to create productive systems capable of ensuring basic requirements for everyone. In practice they are still enjoyed only by a minority. The difficulties do not lie with technology. In our case at least, they do not lie either in any lack of natural or human resources. What prevents us from realizing our ideals is the manner in which society is organized – the nature of the interests governing it, and the particular obstacles which dependent nations have to face. We must direct our attention to the structure of that situation, and to the nature of institutional demands.

In simpler language, our task is to define and put into practice, as Chile's road to socialism, a new model for the state, a different economic system and a new pattern of society which concentrates on man, on his needs and his hopes. For that we need the courage of those who dare to

rethink the world as a project for the service of man. There are no prior experiments that can serve us as examples; we have to develop the theory and practice of new forms of social, political and economic organization, as much to overcome underdevelopment as to create a socialist state.

We shall accomplish it only if we do not falter, or abandon our cause. If we forget for a single moment that our aim is to establish a socialist project for man, then all the struggles of our people for socialism will be turned into just another attempt at reformism. If we forget the concrete circumstances that are our starting point, imagining that we can rebuild something that lies beyond our abilities here and now, then too we shall fail.

We are heading for socialism not out of an academic leaning towards a body of doctrine. We are propelled by the energy of our people, who recognize the unquestionable need to conquer backwardness and believe that a socialist regime is the only way in which modern nations can reconstruct themselves in a free, autonomous and dignified manner.

We head towards socialism after the conscious rejection, through the votes of the people, of the dependent capitalist system, whose returns have been a crudely unequal society, stratified into classes, deformed by social injustice and degraded by the corruption of the very bases of human solidarity.

We have won the presidential elections in the name of the reconstruction of Chilean society. This victory has been confirmed by the results of the municipal elections. This is our standard, in the name of which we will mobilize the people politically to be the actors on our stage, and the judge of our actions. Our plan as a government is the programme of Unidad Popular, with which we fought the election. We will not disregard the needs of the Chileans of today for the sake of Cyclopean tasks to benefit the future. Our objective is the progressive setting-up of a new structure of power based on

the will of the majority and aimed at the satisfaction in the shortest possible time of the needs of the present generation.

Regard for the claims of the people is the only way in which to contribute materially to the solution of great human problems. There is no universal value worthy of the name if it cannot be applied, through the national and the regional scale, right down to the local living conditions of each family.

Our policy could seem too simple for those who prefer grand promises. But the people need to shelter their families in decent houses with adequate sanitary facilities, they need to educate their children in schools designed not just for the poor, to eat enough each day of the year; the people need work, help when they are ill or grow old, respect for their person. That is what we hope to give to every Chilean within the foreseeable future, that is what has been denied for centuries to Latin America, and is what a few nations are now beginning to provide for all their people.

Above and beyond this undertaking – the fundamental requirement for its completion – there stands something equally vital, and that is to mobilize the will of all Chileans to devote our hands, our minds and our hearts towards the recovery of the country itself, aiming to match the standards of present-day civilized societies, as masters of our destiny and as the rightful heirs of our own technical, intellectual, artistic and cultural wealth. Only by concentrating the country's attention on these fundamental ambitions will the needs of the people be met and the differences amongst us be levelled. Above all, young people must be given a role which will bring them a richer sense of present purpose in the construction of that future society which they will have to maintain.

Citizens of the Congress, the mandate which has been entrusted to us will affect all the physical and material resources of the country. We have arrived at the point where to turn back or stand still would cause irreparable damage to the

nation. It is my duty at this time, as the man principally responsible for Chile's fate, to set out clearly the path on which we are advancing, and to describe the dangers and hopes which await us.

The Unidad Popular government realizes that the overthrow of a historical period is determined by those social and economic factors which were created by that period. Within these factors lie the agents and the modalities of historical change. To ignore this would be to go against the nature of the facts.

In the revolutionary process in which we are involved, there are five essential points upon which our political and social struggle turns – legality, institutionality, political freedom, violence and the nationalization of the means of production. These are questions which affect the present and future of each citizen.

THE PRINCIPLE OF LEGALITY

The principle of legality now reigns in Chile. It was imposed after the struggle of many generations against absolutism and the arbitrary use of the power of the state. It is an irreversible triumph as long as no distinction remains between the governing and the governed. It is not the principle of legality which is denounced by popular movements. Our protest is against a legal order whose principles reflect an oppressive social system. Our juridical norms, the techniques which regulate social relations between Chileans, correspond today to the requirements of a capitalist system. In the transition to a socialist regime, the juridical norms will correspond to the necessities of a people struggling to build a new society. But legality there will be.

Our legal system must be modified. This is the main responsibility of the courts at the present time – to see that nothing impedes the transformation of our juridical system.

It depends to a great extent on the realistic attitude of Congress whether or not the legal system of capitalism can be succeeded by a socialist legal system, conforming to the socio-economic changes which we are planning, without there being a violent rupture in the juridical system, which could give rise to those arbitrary acts and excesses that we wish to avoid.

INSTITUTIONAL DEVELOPMENT

The regard for law and order which marks the constitutional state extends through all our institutions. The struggle of the popular movements which now are represented in the government has contributed substantially to one of the most heartening facts on which the country can rely: we possess an open institutional system which has withstood attempts to violate the will of the people.

The flexibility of our institutional system allows us to hope that it will not present rigid opposition to our proposals, and that it will adapt itself, as will our legal system, to the new requirements in order to create the new concept of institutionality needed for the overthrow of capitalism in a constitutional manner.

The new institutional order will serve the principle which legitimizes and directs our action: that is, to transfer political and economic power to the workers. To make this possible, it is essential first of all for society to own the basic means of production.

At the same time it is necessary to accommodate the political institutions to the new reality. For that reason, at the proper time, we shall submit to the sovereign will of the people the question of the need to replace the present Constitution, which has a liberal framework, with a socialist-orientated Constitution, and to replace the two-Chamber system by a single Chamber.

We have promised that our governmental programme will put its revolutionary aims into practice with full respect for the rule of law. This is not merely a formal assurance, but the explicit recognition that the principles of legality and institutional order are compatible with a socialist regime, in spite of the difficulties inherent in a period of transition.

To maintain these principles while transforming their class bias during this difficult period is an ambitious task, and of decisive importance for the new social order. Nonetheless, its fulfilment depends solely on our strength of will; it will depend fundamentally on the relationships in our social and economic structure, on their evolution in the short term and on realistic political behaviour on the part of the people. At the present time, we believe that it is possible, and we are acting accordingly.

POLITICAL FREEDOMS

It is also important for us, as the representatives of popular forces, to remember that political freedom has been won by the people along their arduous road towards emancipation. It is part of what was positive in the historical period which we leave behind us, and it must remain, as our respect also remains for freedom of conscience and of all beliefs. For this reason we are pleased to note the words of the Cardinal Archbishop of Santiago, Raul Silva Henriques, in his speech to the workers: 'The Church I represent is the Church of Christ, son of a carpenter. Thus she was born and thus we want her to remain. Our greatest sorrow is when men forget her birthplace, which was and is among the humble.'

But we would not be revolutionaries if we were to limit ourselves to maintaining political freedom. The government of Unidad Popular will extend political freedom. It is not enough to proclaim it by word alone, for that leads to frustration and mockery. We shall make it real, tangible and

concrete, and exercise it in the measure that we master economic freedom.

The policies of the Unidad Popular government are inspired by a paradoxical situation. Classes and sectors exist in our society with hostile and exclusive interests, and disparate political levels exist within one and the same class or sector.

In the face of this diversity the government will attend primarily to the interests of all those who earn their living by their own work: labourers and professionals, technicians and artists, intellectuals and clerical workers. These people represent a group which is growing day by day as the result of capitalist development. They are becoming more and more united by their common situation as wage-earners. The government will also support small- and medium-scale businesses. Indeed we shall support all those sectors of society which, with varying degrees of severity, have been exploited by the minorities who own the means of production.

The multi-party coalition of the Unidad Popular government is very conscious of the problems in this situation. In the daily confrontation of its interests with those of the ruling class the government will make use of all the decision-making processes available within the institutional juridical system. We recognize the political freedom of the Opposition and we will conduct all our activities within the terms of the Constitution. Political freedom is the prized possession of all Chilean people.

It is fundamental to our policy to develop the political potential of our country to the maximum, so that in the stage of transition towards socialism we shall be able to dismantle the present system systematically. We shall abolish or reject its negative aspects and strengthen and reinforce its positive factors.

VIOLENCE

The people of Chile is acquiring political power without finding itself forced to use arms. It is advancing on the road of its social liberation without having had to fight a despotic or dictatorial regime. It has had to resist only the limitations of a liberal democracy. Our people hope with deep sincerity to spend the period of transition to socialism without having to fall back on authoritarian forms of government.

Our attitude on this point is very clear. But the responsibility of guaranteeing political evolution towards socialism does not rest solely with the government and the movements and parties that compose it. Our people have risen against the institutionalized violence which the present capitalist system imposed upon them; that is why we are transforming this system at the base.

My government owes its existence to the freely expressed will of the people. It answers only to them. The movements and parties which compose it are the guides of the revolutionary consciousness of the masses and the expression of their hopes and interests. They are also directly responsible to the people.

Nonetheless I must warn you that there are dangers which could obscure the clear path of our emancipation and radically alter for the worse the way which a realistic assessment of our circumstances would recommend. Such a danger would consist of violence done to the decisions of the people.

If violence, internal or external, violence in any of its forms, whether physical, economic, social or political, were to succeed in threatening our natural development and the achievements of the workers, then the continuity of our institutions, our constitutional state, political liberties and the chance for pluralism would be in acute danger. The battle for social emancipation, for the free determination of our people, would be forced to take on very different features from those

which, we can proudly and truthfully say now, constitute the Chilean road to socialism. The resolute attitude of the government, the revolutionary energy of the people, the democratic strength of the armed forces and the Carabineros will be our defence in ensuring that Chile advances safely along the highway to socialism.

The unity of the popular forces and the good will of the middle classes represent that infinitely superior strength which ensures that the privileged minority will not easily take to violence. As long as violence is not used against the people, we shall be able to transform the basic structures where capitalism is entrenched in a democratic, pluralistic and free manner. The transformation will come about without the use of unnecessary physical coercion, without institutional disorder and without disorganizing production, at a pace set by the government in accordance with the needs of the people and the development of our resources.

The Place of Social Freedoms

Our plan is to extend social freedom by exercising political freedom, the basis of which must be economic equality. This is the course which the people have marked out because they realize that the revolutionary change of a social system requires intermediary steps. A purely political revolution can consume itself in a few weeks. A social and economic revolution takes years. It takes years for the mass of the people fully to understand and organize new structures, to make them work and adjust them to other structures. To imagine that one can dispense with the intermediary phases is utopian thinking. It is not possible to dismantle a social and economic system, a set of pre-existing institutions, without having first worked out in detail what is to replace them. If we do not face up to this primary requirement of historic change, reality will only too quickly remind us.

We have learned the lessons which successful revolutions

have to offer. There are countries which, as the result of external pressure or of civil war, have had to accelerate their social and economic revolution in order not to fall into the despotic bloodbaths of counter-revolution. But these countries have ultimately taken decades to organize the necessary structures which would finally and conclusively dispose of the preceding regime.

The course which my government has mapped out takes account of these facts. We know that to change the capitalist system, while respecting legality, institutionality and political freedom, means that we must keep our activities in the economic, political and social spheres within certain limits.

These intentions are perfectly well known by all Chileans. They are set down in the government programme and are being put gradually and inexorably into practice, making no compromises, and in the manner and at the pace which we promised.

The Chilean people are now becoming politically mature and organized. They have entrusted the defence of their interests to the Unidad Popular government. This fact obliges the government to identify and integrate itself with the mass of the people, speaking on their behalf while at the same time guiding them. This fact also helps the government not to alienate itself from them through regressive or precipitate measures. Today, more than at any other time, the life of the people, of the popular parties and of the government must be synchronized in a movement which is both precise and dynamic.

Every historical phase reacts to the conditions created by the preceding phase, and creates the elements and agencies of the one to follow. To tread the path of transition without restriction of political freedom, without a legal or institutional vacuum, is for our people both a right and a legitimate expectation. Now is the time for them to set down the foundations for the full, concrete realization of a socialist

society. The Unidad Popular government will meet its responsibilities in this decisive moment.

The principal constructive agent of the new social order is to be found in the organization and the understanding of the people as expressed in the movements and parties of the masses, and in the unions. It lies in constant and varied forms of mobilization, according to the objective needs of each moment.

This is a responsibility not just for the government, but, we hope, shared also by the Christian Democrats, who should demonstrate their active approval of the principles and programme they so often proposed to the people.

NATIONALIZATION OF THE MEANS OF PRODUCTION

Citizens, during our six months of office, we have taken decisive action on all fronts. Our economic activities aim to remove the barriers which hinder the complete development of our human and material potential. In our six months of office, we have made vigorous advances along a path of irrevocable change. The report which we have just published contains details of our activities.

Chile has begun the definitive recovery of its basic wealth: copper. The nationalization of our copper is not an act of vengeance or of hate towards any group, government or particular nation. On the contrary, we have taken the positive step of exercising the inalienable right of a sovereign people: the full use of our resources exploited by national labour and effort.

The recovery of our copper is Chile's decision and we have a right to the respect of all countries and governments for the unanimous decision of a free people. We shall pay for the copper if it is fair to pay, or we shall not pay if it is not fair to do so. We shall protect our interests. We shall be totally in-

transigent if we find that negligence or malevolent acts are being perpetrated by persons or companies in order to damage the interests of the country.

We have nationalized another of our basic sources of wealth: iron. A short time ago we concluded negotiations with the Bethlehem Corporation as a result of which the mining of iron has passed completely into the sector of public ownership. At this time we are studying the constitution of the national steel complex which groups together six steel companies in the Pacific Steel Company.[1] The agreement with American industry has shown once more that the government is giving a fair deal to foreign capital without renouncing the basic interests of our nation. But we will not tolerate the disregard for our laws and the lack of respect for the authorities which we encounter in some foreign companies.

Coal will be placed in public ownership. Saltpetre also belongs to us. Through an agreement made by the preceding government we had to pay $24 million in debentures over fifteen years, which with interest meant $38 million. The shares of the North American sector in theory were worth $25 million. All this has now been reduced to $8 million payable over two years. We have added various firms to the area of public ownership, amongst which are Purina, Lanera Austral, the Bellavista textile plants, Tomé, Fiap and Fabrilana; we shall take over the cement industry and the Yarur industry if their supplies are threatened. To avoid its collapse we have acquired an important part of the assets of the Zig-Zag Publishing House, which will form the basis of a graphic and publishing industry to satisfy the cultural needs of the new Chile.

In all the enterprises drawn into the public sector, the country has met the unhesitating support of the workers, an

1. The Pacific Steel Company was bought out by the Government Development Corporation (CORFO) and a regrouping of a nationalized steel industry established on this basis on 12 December 1970.

immediate increase of production, and the active participation of workers, clerical workers and technicians both in management and in administration.

We have accelerated agrarian reform, meeting a substantial part of the target for this year: the expropriation of a thousand landowners. This process is conducted with due respect to the legislation at present in force, and protects the interests of the small farmers. We want to establish a new, more vigorous form of agriculture, more firmly organized and much more productive. We want Chile to meet its own food requirements. We want the men who live from the land to benefit equally from the fruits of their labour.

The nationalization of the banks has been a decisive step. Respecting completely the rights of the small shareholder, we have nationalized nine banks and are on the point of obtaining majority control of the others. Our experience leads us to hope that we shall come to reasonable agreements with the foreign banks. This is how we seek to control the financial apparatus and to extend public control of the production of goods. We want to put the new banking system at the service of the public sector and of the small- and medium-scale industrialists, merchants and farmers who until now have been discriminated against.

CONJUNCTURAL POLITICAL ECONOMY

These have been our first steps towards the start of a basic and definitive transformation of our economy. But that is not all we have done. We have practised a short-term policy whose central aim has been to increase the availability of consumer goods and services, directing this increase for the benefit of the most underprivileged sectors.

We are doing our utmost to reduce inflation, this attempt being the axis of our policy of redistribution. Anti-inflationary action has acquired a new political significance and it will

be a mobilizing element in the popular struggle. Preventing a rise in prices means that the people retain the greatest purchasing power while at the same time the task of socialist construction is being consolidated and extended. At the same time, private businessmen have the opportunity to make up for reduced margins by profiting from the increased volume of production.

In practice this policy has yielded considerable results in terms of redistribution. Nevertheless we know that our programme is meeting obstacles. On the one hand certain groups of businessmen are trying to halt the success of our ventures by means of an overt or disguised slowing-down of production. On the other, lack of initiative in some sectors too steeped in traditional ways of low, old-fashioned production prevents them from understanding the present development and from making a greater effort in production. To do so, however, is a duty. We shall take all legal measures open to us to encourage those who, deliberately or not, do not fulfil their duty and, if necessary, force them to increase production.

Likewise we have implemented a social policy to improve the nutrition of our children, and to allocate medical care more efficiently, to increase educational opportunities substantially, to start an urgent programme of house building, and to organize a considerable reduction in unemployment as a matter of national emergency.

We are doing it all without disorder, in fairness, trying to see that at all times the cost to society is as low as possible. Today the man in the street has greater purchasing power, consumes more and knows that the fruits of joint labour are being more equally distributed. At the same time he has the right to know that he is in control of his mines, of his banks, of his industries, of his land and of his future.

We neither measure ourselves against, nor compare ourselves with, preceding governments. We are fundamentally

different. But if that comparison were to be made, even using the most traditional yardsticks, we would emerge at an advantage. We have reached the lowest level of inflation of recent years. We have begun the most effective redistribution of income that Chile has ever known. We shall build more houses this year than ever before in a similar period of time. Despite the pessimists, we are maintaining a normal flow of supplies of essential materials.

THE LIMITATIONS OF THE GOVERNMENT'S ACTIVITIES

We are fundamentally different from preceding governments. This government will always tell the people the truth. I believe that it is my duty honestly to admit that we have made mistakes, that unforeseen difficulties have slowed up the execution of plans and programmes. But even if our production of copper does not reach the target, even if the production of saltpetre does not reach a million tons, even though we may not build all the houses we planned, in each of these projects we shall supersede by far the highest record of production for copper, saltpetre or houses ever established in this country.

We have not been able to co-ordinate the many institutions of the state sector as well as they need to be co-ordinated, and there have been some errors of judgement. But we are devising more competent means of nationalization and planning.

When we came to power we pledged ourselves to carry out at once the promises we made to the country. Together with the Central Union of Workers (CUT), we studied the Salaries' Adjustment Law and we have signed the CUT–Government agreement. We are presenting a bill to Congress in which we are asking for a salary increase for employees in the public sector equivalent to 100 per cent of the rise of the cost of living, and we are raising to a higher scale the corre-

sponding minimum salary of private employees. I believe, however, that it was a mistake not to reach broad agreement with the workers for establishing more precise criteria for salary scales which would have included both public and private employees within one system.

Other limitations which we have encountered derive from administrative and legal faults, and certain procedures which have impeded the execution of some of the government's basic plans. That is the reason why the introduction of our housing scheme was delayed. That in turn prevented us from reactivating certain industries or restoring a greater number of the unemployed. The months of April and May have seen the start of greater economic activity in construction schemes.

There is a vast area in the field of public services where abuse is still practised. Millions of Chileans are the daily victims of bureaucracy and red tape, halts and unnecessary delays. Every move requires a dozen different procedures, forms, signatures and rubber stamps. How many hours are wasted by each Chilean in his struggle with bureaucracy! How much creative energy drains away, and what futile irritation is experienced! Government authority has not applied enough energy even to begin to face this deep-seated sickness. The very sector most responsible for employees has allowed this to continue.

We have also been slow to work out social mechanisms to facilitate popular participation. Bills are ready which will give legal juridical status to the CUT and which will institutionalize the inclusion of the workers into the political, social and economic affairs of both state and industry. But we have barely sketched out the form of their participation in the provinces, in community affairs and in private firms. We not only have to guarantee vertical participation for the workers, as, for example, that of the industrial workers according to the respective branches of their industries, but also horizontal participation for the peasants, manufacturing workers, miners

and clerical and professional workers, so that all may combine and discuss the problems of a given economic area, or of the country as a whole. The system of participation not only leads to a more just distribution of income, but it also ensures greater returns.

To integrate the people on the horizontal plane is not easy and without doubt it requires great political maturity and general understanding. We do well to realize, however, that the improvement of production on a peasant settlement depends largely on the work done in the factory which produces machinery, tools and fertilizers, and on the work of labourers building roads and on the efforts of small- and medium-scale traders who distribute the materials. Responsibility for production lies with the working class as a whole.

Another criticism we have to make of ourselves is that in these first six months we have not succeeded in mobilizing the intellectual, artistic and professional capacities of all Chileans. There is much work to be done before all scientists, all professionals, all builders, artists and technicians, all housewives – in fact, all those who could and would co-operate in the transformation of society – find satisfying ways in which to express their particular talents.

IMMEDIATE TASKS

In the remaining months of 1971 copper will be definitively restored to the Chilean people. It is on the perseverance of the workers, of the clerical workers, and of the technicians of Chuquicamata, El Teniente, Exótica, El Salvador and Andina that the volume of production that we shall achieve this year, and consequently our capacity to acquire foreign currency, depends to a large extent. Only in this way shall we be able to maintain normal supplies and realize our investment programme. Copper is Chile's salary. Those who administer this wealth and those who extract it from the earth hold in their

hands, not only their own future and their own well-being, but also the future and the well-being of all Chileans.

We must extend the agrarian revolution, for if copper is Chile's wages, then the land is our daily bread.

This land must produce more. This is the responsibility of the peasants and of the small- and medium-scale farmers. But if the government recognizes its mistakes, then it is only fair that others should recognize theirs. The occupation of settlements and the indiscriminate occupation of country estates are unnecessary and prejudice our cause. What we have done, and what our attitude has been, give us the authority to expect trust in our promises. For that reason there must be confidence in the plans that the government has made and in the rhythm of their execution.

We call upon the parties and the political groups which are not in Unidad Popular to reflect soberly on this matter.

Citizens! One of our major objectives is to establish an area of public control. This will include the greater part of our basic natural wealth, the banking system, the country estates, the greater part of our foreign trade and the industrial and distributive monopolies. It is a task which has already begun and which will be continued.

On the economic plane, establishing socialism means to replace the capitalist mode of production by means of a qualitative change in property relations and a re-definition of production relations. In this context, establishing an area of public ownership has human, political and economic significance. The incorporation of large sectors of the production apparatus within a system of public ownership puts an end to exploitation of the workers. A profound sense of solidarity will be created which will enable each individual to see his own efforts as part of the collective effort.

On the political plane the working class knows that their struggle is aimed at the nationalization of the principal means of production. Socialism cannot exist without a sector of pub-

lic ownership. If we are to draw more firms into it, day by day, it means that the working class must be constantly on its guard and show a high degree of responsibility. It is neither an easy nor a short-term task to build socialism. It is a long and difficult task in which the working class must participate with discipline, organization and political responsibility, avoiding, above all, anarchistic decisions and irresponsible, impulsive acts.

The importance of the public sector is traditional in our country. It takes up approximately 40 per cent of our expenditure. More than 70 per cent of investments originate from the state. The public sector was created by the national bourgeoisie in order to favour private gain, and to consolidate forms of production which concentrate both technological know-how and private wealth.

Our government plans to increase this area quantitatively, but it also plans to change its qualitative significance.

The state apparatus has been used by monopoly enterprises to relieve their financial stress, to obtain economic aid and to reinforce the *status quo*. Our public sector has been characterized by the subsidiary role it has played to private enterprise. Because of this some public concerns show serious losses on all fronts, while others are incapable of keeping up with the levels of profit shown by private firms.

Furthermore the state apparatus of Chile has lacked adequate co-ordination between its various activities. As long as this is lacking it will be impossible for it to give solid support to a socialist economy. Control of a few branches of production does not mean that the public sector has at its disposal the machinery required to bring about socialist objectives in the fields of employment, increased productivity and the redistribution of income.

We need therefore to extend the public sector and reconstruct it from a different point of view. The nationalization of the most important means of production will enable us to

acquire a degree of cohesion in the public apparatus which is indispensable if our great national objectives are to be reached. It should be recognized that one of the basic criteria for defining the public sector is that it should be conceived as a single integrated whole which will be capable of developing its potential within a reasonably short period of time.

This means that there is an urgent need to establish a system of planning which will apply economic profits to the various tasks of production. This year we have begun to set up such a system, creating assessment bodies such as the National and Regional Development Councils; we have formulated the Annual Plan for 1971 and, during the rest of the year, planning bodies will work out the National Economic Plan for 1971–6. We propose that no investment project shall be carried out that is not part of a government-approved scheme. In this way, we hope to put an end to experiment, and shall continue to organize a socialist system of planning in accordance with the programme of Unidad Popular. The existence of nationalized property requires, by definition, competent and effective methods of planning which are supported by adequate institutional strength.

The advantages of socialism do not come spectacularly to the fore in the early stages of construction. But the obstacles will be overcome by the creation of a genuine morality of labour and by the political mobilization of the proletariat, not only in support of its government but also in support of its means of production.

Establishing an area of public ownership does not mean that we are creating a system of state capitalism: it means the genuine start of a socialist structure. The public sector will be controlled jointly by workers and by representatives of the state, which will be the essential link between each firm and the entire national economy. These firms will not be bureaucratic and incompetently run concerns, but highly productive enterprises leading the country's development and

conferring a new dimension to the field of labour relations.

Our transitional regime does not consider the existence of a market as the sole guide to the economic process. Only planning will guide the aims of production. To create firms whose output is regulated by a free market would mean concealing a capitalist approach from the workers and persisting in a means which historically has proved a failure. A dominant public sector means that the profits produced by the workers must be controlled and utilized in an efficient manner. It is therefore necessary to ensure that the financial sector and a large part of the distributive sector is included in the area of public ownership. Briefly, it is imperative to control the means of production and of finance, and to a certain extent the marketing of goods.

We must strengthen the public sector and invest all the power of the state in its economic policy. Our credit policy, our fiscal, monetary and wages policies, our scientific and technological policies and our policy for foreign trade must remain subordinate to the requirements of a socialist advance, that is, to the interests of the workers.

We must assist the efforts of small- and medium-scale industry, commerce and farming, which for years have been a sphere much exploited by the large monopolies. Our economic policy guarantees them a fair deal. There will be no more financial exploitation, no more extortion of the small trader by the large purchaser. Small- and medium-scale businesses will have an active role in the construction of the new economy. Once they become a part of a more rationally organized system whose aim will be to produce for the sake of the great majority of Chileans, they will appreciate the support of the public sector. The limits of the private, mixed and public sectors will be clearly defined.

We are facing an opportunity for change that is unique in economic history. No country has achieved an acceptable level of economic development without huge sacrifices. We

do not claim to have discovered the formula by which economic progress and a more just social system can be established at no cost at all. We are not proposing to build overnight a nationalized economy with a fair distribution of income, with monetary stability, full employment and high levels of production. What we do propose, however, is to build such a society at the lowest social cost that it is possible to imagine under the circumstances.

Socialism is not a gift that some countries find, casually cast along the wayside. Even less so is the freedom that goes with it.

THE FIGHTING SPIRIT OF THE WORKERS

All that we have planned in the political, economic, cultural and international fields is the task of a people: not of one man, nor of one government.

Between November and February the number of workers forced to go on strike went down from 170,000 in the preceding period to 76,000. The Unidad Popular government's identification with the workers, sharing both failure and success, has made conflicts which were previously inevitable unnecessary.

This year there have been no strikes in the coal-fields, none in the saltpetre-mines, none in the copper-mines, none in the health service, none in education and none on the railways. In brief, there have been no strikes in the zones vital for the country's progress.

I want to underline that for the first time voluntary workers have become a permanent feature of some of the nationalized firms. This is happening on a massive scale, from Arica to Magallanes, in every aspect of the national effort. Soldiers and priests, students and labourers, professional and business people, old people and young girls are freely and spontaneously contributing hours which are their own to the great

common task. Here is a creative phenomenon which far surpasses the commercial definition of labour and offers an eloquent response to those voices, both in and outside Chile, who warn of things which have not happened and which never will happen. In this country there is, and there will continue to be, a government which knows what measures to apply and when to apply them. As President I take responsibility for that.

The great deeds that lie ahead of us will be met by the responsibility and determination of the workers who appreciate that their long-term interests extend far beyond the greater or lesser problems of today, of this month or of this year. In the combined strength of the workers and of their political representatives, the Unidad Popular government, we have an invincible weapon.

Those who live by their labour today have the control of the state in their hands: a supreme responsibility. In the construction of a new social order it is the people who both design and lay the foundations. It is for the state to guide, organize and direct, but it can never be a substitute for the will of the people. As much in the economic as in the political field, the workers themselves must retain the power of decision. To achieve this will mean the triumph of the Revolution.

This is the goal for which the people fight, with the legitimacy that respects democratic values, with the confidence to set out a programme, with the strength of being a majority, and with the passion of a revolutionary.

Venceremos!

CHAPTER 21

International Policy

First annual message to Congress

Santiago, 21 May 1971

The same principles which govern our internal policy govern the foreign policy of our country. In accordance with the United Nations Charter our country fully supports the policy of non-intervention in the internal affairs of another state, of juridical equality for all states, of respect for their sovereignty and right to self-determination. The aims of the foreign policy of my government, in bilateral as well as in multilateral relations, is directed towards the consolidation of peace and international co-operation. Consequently, Chile has established diplomatic relations with more countries. Our first decision, taken in accordance with the wishes of the majority of the Chilean people, was to re-establish diplomatic relations with Cuba, a country which has been most unjustly sanctioned. We have established diplomatic and commercial relations also with China, Nigeria and the German Democratic Republic. We have also set up commercial relations with the Democratic Republic of Korea and with the Democratic Republic of Vietnam. Within the context of Latin America we have supported the reduction of armaments at the OAS.

Chile collaborated on the 'Declaration on Principles of International Law Concerning Friendly Relations and Co-operation among States in Accordance with the Charter of the United Nations' which was adopted by the General Assembly of the United Nations towards the end of last year.

Likewise we have subscribed to the programme of activities to apply the 'Declaration on the Granting of Independence to Colonial Countries and Peoples' and we have taken part in formulating an international plan for the 'Second UN Development Decade'.

Our struggle against underdevelopment and dependence on foreign hegemony places Chile in a community of interests shared by other countries in Asia and Africa. Because of this it is the decision of the Unidad Popular government to play an active role in that group of nations known as 'non-aligned', and to participate in their deliberations and their agreements. Our universalist view of the United Nations leads us to vote in favour of the recognition of the legitimate rights of the People's Republic of China. Our respect for the independence of nations requires us to condemn the war in Vietnam, and its extension to Laos and Cambodia.

It is my government's decision to maintain friendly and co-operative relations with the United States. We have pledged ourselves to create an atmosphere of understanding of our situation in which no conflicts or petty issues prejudice the friendly negotiation of solutions to any problems that may arise. We are confident that this realistic and friendly attitude will find a response in the people and the government of the United States.

Our voice as an independent nation has been raised with respect for all nations, with the dignity of men who speak on behalf of a dignified country. That is how we spoke at CEPAL and at CIAP[1] and at all specialist conferences where our representatives have communicated the opinions of Chile.

We have stressed the severe crisis through which the inter-American system and its organ, the OAS, is passing. This system is based upon the myth that all its members are equal, whereas in reality inequality is an absolute and established fact, and the marked imbalance of power to the advantage of

1. Inter-American Council of the Alliance for Progress.

the United States supports the more powerful states at the expense of the weaker. This belongs to a global context of dependence whose negative effects are felt on all levels. The present crisis of the dollar, arising from the internal and external policies of the United States, certainly threatens the countries of advanced industrial capitalism: but it will rebound in a much more harmful form onto the economies of Latin American countries. As monetary reserves are reduced so there will be a proportional diminution of credit and a restriction of commercial relations.

That is why we insist that it is necessary to maintain the multilateral character of international finance organizations, outside of any political pressures. The member countries of those institutions cannot be challenged as to their right to choose whatever form of government they wish. And the international institutions of finance cannot be permitted to be the instrument of powerful countries against the weak. To exert direct or indirect pressure in order to create obstacles to the financing of technically suitable projects is to debase the proclaimed purposes of these organisms, and it is an oblique way of interfering in the internal life of those countries and of damaging the interests of their people.

Our efforts to broaden and strengthen our relations on all fronts with the people of Western Europe have aroused great interest. The increase in exchanges and collaboration with socialist countries is viewed by my government as much as a proper means of channelling our interests and stimulating our economic, technical, scientific and cultural progress as a way of showing solidarity with the working classes of the whole world.

Latin America is suffering from a condition of subjection which its states have been unable to alter because they have used the traditional and unworkable formulae. For some time Colombia, Peru, Bolivia, Ecuador and Chile have been trying to substitute for these formulae new ones which, by means of

sub-regional integration, might make possible the smooth development of our resources for the benefit of our common objectives. The Andean Pact represents an exemplary enterprise to which the government of Unidad Popular will dedicate its utmost efforts. This we demonstrated in Lima and at Bogotá.

My government lays special importance on maintaining the best relations with our sister states in this continent. It is our basic aim to emphasize all that will establish a lasting friendship with the Republic of Argentina, and to overcome any obstacle that might arise in the way of achieving this objective. The anomalous nature of our relationship with the Republic of Bolivia contradicts the aspirations of both peoples, but we for our part will do our utmost to bring things back to normal.

CHAPTER 22

The Dictatorship of the Proletariat

Interview with the foreign press

Santiago, 25 May 1971

QUESTIONER: Mr President, in your speech to Congress on 21 May, you precisely defined the nature of the political experience which the country is undergoing. If I am not mistaken, your words were that it was the second model of transition to a socialist society. For some Marxist theoreticians your words might seem, as far as I have understood, a little heterodox. For others it is indeed proof of the viability of the doctrine, that it may take another form. Therefore, in this context, I should like to ask you to elaborate these two possible interpretations.

ALLENDE: Your question is undoubtedly rather important. I must state quite plainly that I am no theorist of Marxism. I am a man who has read some Marxist theory. However, I do not presume to think that I could speak with great authority on these matters. I am content if what I have said at least arouses a little disquiet. I cannot put this in a complicated way, nor yet in words of one syllable, but only as a man who is not a theorist. Marxism is not a static thing. I believe it is a method for interpreting history. It is not a formula for a government to apply. I have said quite deliberately that in some countries this period, described as transitional, was carried out in a form known as 'the dictatorship of the proletariat'. There are two sides to this: one political, the other social. The political is the dictatorship, and the social is

the proletariat. Here we have substituted the notion of dictatorship for a different device, but the other aspect, the social, is very much present.

I have mentioned the proletariat, but I think it is difficult to speak in these terms in a bourgeois parliament. I have spoken of workers, and I have said that this is a government of workers. And among workers, the most important element is certainly the proletariat. So I think that orthodox thinkers will allow me a variation, in that I do not claim to set out a doctrinaire position. For us, I suggest, there is a practical application that suits the reality of Chile. If by chance we were to mar the virginity of orthodox theoreticians and yet accomplish something, I would be content with the latter.

(*EFE News Agency*)

CHAPTER 23

Chile and the World

Opening statement at the United Nations Conference on Trade and Development (UNCTAD III)

Santiago, 14 April 1972

Ladies and Gentlemen:

Let me begin by thanking you, on behalf of the people and the government of Chile, for the great honour you have done us by choosing Santiago as the venue for this third session of the United Nations Conference on Trade and Development. We appreciate it all the more as you will be discussing the world's most serious problem: the sub-human condition of more than half its population. You have been convened to rectify the unfair international division of labour, based on a dehumanized concept of mankind.

The presence of so many leaders of economic affairs from every part of the world, including Ministers and high-ranking officials, enhances the significance of this honour. It is encouraging that all the organizations of the United Nations system are represented here, besides the inter-governmental and non-governmental bodies concerned with development problems, and the information media of all five continents.

With me are the representatives of the Chilean nation: the Presidents of the Senate, the Judiciary and the Chamber of Deputies, comrades Ministers of State and members of Parliament and civil, military and ecclesiastical authorities, accompanied – in representation of the people – by workers and students.

Accordingly, in the name of our people and of its representatives present at this ceremony, I offer our guests a very

warm welcome, and wish them a pleasant stay in a country that receives them with cordial friendship and understandable anticipation. I also extend my respectful greetings to the resident Diplomatic Corps.

To you, Mr Kurt Waldheim, Secretary-General of the United Nations, we owe a very special debt of gratitude. In taking the trouble to attend this opening meeting so soon after assuming your high office, your intention has doubtless been to show that you accord this Conference the priority it deserves; that for you the development of the Third World and the expansion and improvement of trade are matters of as much urgency and importance as the most explosive political questions; and that you fully realize that economic stability and development are, as established in the Charter, essential and interdependent factors of international peace, security and goodwill.

To my good friend, Mr Manuel Pérez-Guerrero, Secretary-General of UNCTAD, I should like to express our deep appreciation of his selflessness and efficiency in the discharge of his functions, and of the outstanding quality of the preparatory work for the present meeting.

Lastly, to Professor Langman, Minister for Economic and Financial Affairs of the Kingdom of the Netherlands, I would offer the sincere gratitude of the government and people of Chile for his country's generous contribution of the transmitting and amplifying equipment for the conference rooms in this building.

UNCTAD AND THE FUTURE OF THE THIRD WORLD

In UNCTAD III I hail an assembly of the world community of nations – in effect, of almost all mankind. Unfortunately, not yet quite all. For us, the peoples of the Third World, UNCTAD should constitute the chief and most effective of

the instruments available for negotiation with the developed countries.

The basic mission of this third session which is starting today is to further the replacement of an outdated and essentially unjust economic and trade order by an equitable one based on a new concept of man and of human dignity, and to promote the reformulation of an international division of labour which the less advanced countries can no longer tolerate, inasmuch as it obstructs their progress while it favours only the affluent nations.

From the standpoint of our countries this is a crucial test. We refuse to go on giving the name of international co-operation for development to a mere travesty of the concept enshrined in the Charter of the United Nations. The results of the Conference will show whether the commitments assumed in the International Strategy for the Second Development Decade reflected a genuine political will or were simply delaying tactics.

Preliminary observations

If the analyses and decisions of UNCTAD III are to be realistic and pertinent, we must face the world as it is, defending ourselves against illusions and mystifications, but at the same time throwing wide the gates of imagination and creativeness to new solutions for our old problems.

The first point to be recalled is that our community is not homogeneous, but divided up into peoples that have grown rich and peoples that are still poor. Yet more important is it to recognize that among the poor nations themselves there are, unfortunately, some that are even poorer than others; and many that exist under unbearable conditions. Their economy is dominated by foreign powers; outsiders hold all or part of their territory; they still endure the yoke of colonialism; or a majority of their population is exposed to the violence of racial prejudice and of *apartheid*. Worse still, in

many of our countries deep social disparities oppress the masses and benefit only the privileged few.

Secondly, the toil and the resources of the poorer nations subsidize the prosperity of the affluent peoples.

Manifest, too, is the validity of the Declaration signed in Lima by the Ministers of the Third World. Between 1960 and 1969, our countries' share in world trade dropped from 21·3 per cent to 17·6 per cent. During the same period, our annual per capita income increased by only $40, while that of the affluent nations rose by $650.

Over the last twenty years, the ebb and flow of foreign capital into and out of the Third World has meant a net loss for us of many hundreds of millions of dollars, besides leaving us in debt to the tune of nearly 70 thousand million.

Direct investment of foreign capital, often presented as an instrument for progress, has almost proved negative in its effects. For example, between 1950 and 1967, according to data furnished by the Organization of American States, Latin America received $3,900 million and disbursed $12,800 million. We paid out four dollars for every dollar we received.

Thirdly, this economic, financial and trade order, so prejudicial to the Third World precisely because it is so advantageous to the affluent countries, is defended by most of these with bulldog tenacity, through their economic might, through their cultural influence, and, on some occasions, and by some powers, through almost irresistible forms of pressure, through armed interventions which violate all the commitments assumed in the Charter of the United Nations.

Another development of unquestionably vital importance, which cuts across and embraces the present structure of international economic relations, and which in practice makes a mockery of international agreements, is the expansion of the great trans-national corporations.

In economic circles, and even at meetings like this, trade and development facts and figures are often bandied to and

fro without any real attempt to measure how they affect the human being, how they affect his basic rights, how they strike at the right to life itself, which implies the right to full self-realization. The human being should be the object and the goal of all development policies and of all desirable forms of international co-operation. This is a concept which must be borne in mind in every discussion, in every decision, in every policy measure which aims at fostering progress, whether at the national or at the multilateral level.

If the present state of affairs continues, 15 per cent of the population of the Third World is doomed to die of starvation. Since, moreover, medical and health services are seriously deficient, the expectation of life is only half as long as in the industrialized countries, and a high proportion of the population can never make any real contribution to the progress of thought and creative activity. Here I may repeat something of which our people are painfully aware. In Chile, a country with about 10 million inhabitants, where levels of diet, health and education have been higher than the average for developing countries, there are 600,000 children who, for want of proteins in the first eight months of their life, will never attain the full mental vigour for which they would have been genetically fitted.

There are more than 700 million illiterates in Asia, Africa and Latin America, and as many millions more have got no farther than the stage of basic education. The housing deficit is so colossal that in Asia alone there are 250 million persons without a proper roof over their heads. Proportional figures are recorded for Africa and Latin America.

Unemployment and underemployment have soared to a terrifying pitch and are still increasing. In Latin America, for example, 50 per cent of the economically active population are out of work, or have jobs which are nothing but forms of disguised unemployment, their earnings from which, especially in the rural areas, fall far short of their vital needs.

This is the logical outcome of a well-known fact: the developing countries, in which 60 per cent of the world's population is concentrated, have at their disposal only 12 per cent of the gross product. There are scores of countries in which annual per capita income does not exceed $100, while in several others it amounts to about $3,000 and in the United States it reaches $4,240.

Some can look forward to a livelihood which will bring everything within their reach. Others are born to starve. And even in the midst of plenty, there are millions who lead a handicapped and poverty-stricken life.

It is incumbent upon us, the underprivileged, to strive unflaggingly to transform an archaic, inequitable and dehumanized economic structure into one which will not only be fairer to all, but will be capable of counteracting the effects of age-old exploitation.

Ways out of Underdevelopment

The question is whether we poorer nations can meet this challenge from our present subordinate or dependent positions. First we must acknowledge long-standing weaknesses on our own part which have done much to perpetuate the disparate trade patterns that have led the peoples of the world to develop along equally disparate lines: for example, the connivance of some national ruling groups with the causes of underdevelopment. Their own prosperity was based precisely on their role as agents of foreign exploitation.

No less important has been the alienation of the national consciousness. It has absorbed a view of the world worked out in the great dominant centres and presented in scientific guise as the explanation of our backward state. Such theories ascribed the inevitable stagnation of the developing continents to supposed natural factors such as climate, race or racial mixtures, or attachments to autochthonous cultural traditions. But they paid no heed to the real causes of backward-

ness, such as foreign colonial and neo-colonial exploitation.

Another respect in which we are to blame is that the Third World has not yet achieved full unity, unconditionally backed by every single one of our countries.

The correction of these mistakes must be accorded priority. The same view is expressed in the Charter of Algiers and in the Declaration of Lima drawn up by the Group of 77.

The Internal Effort of the Developing Countries Themselves

The governments of the countries of the Third World have now formulated a philosophy much more consciously in keeping with the realities of today. For example, the Declaration of Lima, besides endorsing the emphatic assertion in the Charter of Algiers that the primary responsibility for our development is incumbent upon ourselves, pledged its signatories to carry out the reforms in their economic and social structures required to ensure the full mobilization of their basic resources and to guarantee their people's participation in the process of development and in its benefits. The Declaration likewise condemned dependence in any shape or form which may help to aggravate underdevelopment.

Not only do we support this philosophy in Chile, but we are putting it fully into practice. We are doing so with profound conviction, consistently with our socio-economic and political situation.

The people and the government are committed to a historical process designed to bring about fundamental and revolutionary changes in the structure of Chilean society. We want to lay the foundations for a new society which will offer all its members social equality, welfare, freedom and dignity.

Experience, often a hard task-master, has taught us that in order to meet our people's needs and provide each one with the means of full self-realization, it was essential to leave behind the capitalist regime of dependence and forge ahead along

a new road. This new road is the socialism we are starting to build.

In line with our history and tradition, we are conducting this process of revolutionary change while taking steps to make the system more truly democratic, with due respect for the pluralism of our political organization, within the legal order and using the legal instruments with which the country has equipped itself; not only maintaining but extending the civic and social, individual and collective liberties. In Chile there is not a single political prisoner, nor the least restriction on oral or written freedom of speech. All creeds and forms of worship are unconditionally permitted, and are treated with the greatest respect.

In this country the forces of the Opposition can exercise the right granted them by the law and the Constitution to voice their protests and organize marches; and it is precisely on its legal substantiation that this attitude is based. Moreover, the government guarantees the right in question through the security forces dependent upon it.

Chile's process of change has been launched under a multiparty regime, with a highly developed body of law and a judicial system that is absolutely independent of the other state powers. The Opposition holds the majority in Parliament.

By releasing pent-up dynamic forces in the economic system, we propose to do away with the traditional growth model which was based almost entirely on the expansion of exports and on import substitution. Our strategy implies assigning priority to popular consumption and relying upon domestic market prospects. We do not advocate economic self-sufficiency, but utilization of the immense potential represented by our people and our resources as active agents of development.

One of the primary objectives of the people's government is the recovery of the country's basic sources of wealth for its own use.

We have nationalized iron, steel, coal, and nitrates, which now belong to the Chilean people. We are nationalizing copper through a constitutional reform that has been unanimously approved by a Parliament in which the government does not hold the majority. We have taken charge of the copper industry and have achieved a high production figure, overcoming immense technical and administrative difficulties, and remedying serious deficiencies imputable to those who were drawing the profits of these mines.

The recovery of our basic resources will now enable us to use for our own benefit the surpluses formerly sent abroad by the foreign companies. Thus we shall improve our balance of payments.

The nationalization of copper was an inevitable step which could brook no delay. To assess the harm that was being done to our economy, suffice it to quote only a few figures: according to their book values, the copper-mining companies made a net initial investment of $30 million in Chile forty-two years ago, and since then, without having subsequently brought in any fresh capital, have withdrawn the enormous sum of over $4,000 million – an amount almost the equivalent of our current external debt. They have also bequeathed us credit commitments totalling over 700 million, which the state will have to pay off. According to the 1968 balance sheet, the Anaconda Company had placed only 17 per cent of its total world investment in our country. Yet it obtained 79 per cent of its profits from Chile.

I will refer to only two other aspects of my government's socio-economic action: one is its policy of broad and radical income redistribution, and the other the speeding-up of the agrarian reform, with the aim of ensuring that by the end of this year not a single *latifundium* will be left in Chile. This reform includes a dynamic and realistic agricultural development strategy. Thus, in but a few years we hope to make up the food deficit which nowadays compels us to import food-

stuffs to a value of over $300 million, a sum out of proportion to our resources.

The Regional Effort

All that has been done at the national level has been complemented by a determined policy of economic integration with the Latin American countries. In particular, the Andean Pact (whose members are Bolivia, Chile, Colombia, Ecuador and Peru) is a living example of the immense possibilities that exist for co-operation between underdeveloped countries, when there is a firm political will to take action.

In less than three years we have trebled our reciprocal trade, and we are applying instruments for co-ordinating the economic strategies of the individual countries. To this end, we have agreed upon a Common Treatment for Foreign Investment, which puts an end to our suicidal competition to tap external resources and corrects unfair practices that have long been in current use. We are fully convinced that integration among countries like ours cannot derive solely from the mechanical interplay of market forces; joint planning must be undertaken for the key sectors of the economy, with a view to determining the lines of production that each country will be called upon to undertake.

The Andean Pact – authentically Latin American – is of vital importance not only because of the technical pragmatism with which we are tackling problems as they arise, but also because we are conducting an autochthonous experiment in integration, based on the most absolute respect for ideological pluralism and for each country's legitimate right to adopt whatever internal structures it may deem most appropriate.

The Structure of International Economic Relations and Underdevelopment

The task assigned to the third session of UNCTAD is to design new economic and trade structures, precisely because

those established in the post-war period, which are seriously prejudicial to the developing countries, are on the verge of complete collapse.

The concepts formulated at Bretton Woods and Havana, which brought into being the International Bank for Reconstruction and Development (IBRD), the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT), were characterized by exchange, trade and development financing systems based on the interests of a few dominant countries. They evolved at a time when war between the industrial countries of the West and the socialist world was deemed inevitable. As always, economic interests and political interests joined forces to overbear the countries of the Third World.

The systems in question established the rules of the trade game. They closed markets to the products of the Third World through the establishment of tariff and non-tariff barriers, through their own anti-economic and unfair production and distribution structures. They set up pernicious financing systems. Furthermore, they determined shipping practices and norms, fixed freight rates and thus secured a virtual monopoly of cargo. They also left the Third World countries to watch the march of science as outsiders, and exported to us technical know-how which in many cases simply constituted an instrument of cultural alienation and of increased dependence. We poorer countries cannot allow this situation to continue.

Moreover, the systems conceived at Bretton Woods and Havana have proved incapable of raising the level of living of more than half the human race, or even of maintaining the economic and monetary stability of their own creators and administrators, as has been demonstrated by the dollar crisis which precipitated a collapse.

New World Conditions Facilitating the Work of UNCTAD III

Since the second session of UNCTAD at New Delhi, which was so great a disappointment to the developing countries, world events themselves have transformed the whole political and economic scene, and today there are better possibilities for UNCTAD III to take important steps in the direction proposed.

It is clear to all that the financial conceptions of the post-war period are tottering; that the new or strengthened centres of political and economic power are generating striking changes of front among the industrialized countries themselves. Peaceful co-existence between the capitalist and socialist countries has finally carried the day. After twenty years of injustice and violation of international law, the exclusion of the People's Republic of China from the world community has come to an end.

Furthermore, in our countries the growing resistance to imperialist supremacy and likewise to internal class domination is daily increasing in strength; a healthy nationalism is gaining renewed vigour. Possibilities are opening up, embryonic as yet although promising, for the less developed countries to make their efforts at self-improvement under a milder degree of external pressure and at a less heavy social cost. Among these hopeful signs is the awareness which the poorer nations are acquiring of the factors responsible for their backwardness. On occasion, their conviction is so profound that no foreign power and no native privileged group can sway it, as is shown by the invincible heroism of Vietnam. Few still dare to expect all the countries of the world to adopt the same socio-economic models. What is compulsory, on the other hand, is the mutual respect which makes it possible for nations with different socio-political systems to live side by side and trade with one another. The present time is witnessing the emergence of specific possibilities for constructing

new international trade patterns, which may at last open up prospects of equitable co-operation between rich and poor nations.

These prospects rest upon two bases. Firstly, the decisions which substantially affect the destiny of mankind are increasingly influenced by world opinion, including that of the countries which uphold the *status quo*. Secondly, conditions are arising which make it advantageous for the central countries themselves (although not for all their enterprises) to establish new patterns for their specifically economic relations with the peripheral countries.

Obviously, the forces of restriction are not yet beating a general retreat. The new hopes that promise liberation may lead only to new forms of colonialism. They will crystallize in one shape or the other according to our clarity of thought and capacity for action. Hence the exceptional importance and timeliness of this third session of UNCTAD.

Just as in the last century the forces unleashed by the Industrial Revolution metamorphosed the customs, ways of life and modes of thought of all countries, so today the world is being swept by a tide of new technical and scientific discoveries which have the power to bring about still more radical changes, in conflict with pre-existing social systems.

We should make sure that the march of pure and applied science is not so conditioned by inflexible social and political structures – both national and international – as to militate against the liberation of mankind. We know that the Industrial Revolution and the wave of change it brought represented for many countries a mere transition from colonial to neo-colonial status and, for others, direct colonization. For example, in the international telecommunications system a formidable danger is implicit: 75 per cent of it is in the hands of the developed countries of the West, and of this proportion more than 60 per cent is controlled by the big United States private corporations. Both to you, Mr Secretary-General, and

to the delegations present, I wish to point out that in less than ten years our community institutions and our homes will be flooded by information and publicity which will be directed from abroad by means of satellites of high transmission power, and which, unless counteracted by timely measures, will serve only to increase our dependence and destroy our cultural values. This danger must be averted by the international community, which should demand that control be exercised by the United Nations.

Another factor that should be regarded as more favourable stems from the increasingly obvious conflicts between the interests of the wealthy nations (those which are of real benefit to their peoples) and the private interests of their great international corporations. The overall cost (military, economic, social and political) of operating through transnational enterprises exceeds their contribution to the central economies and becomes more and more burdensome to the taxpayer.

We should also take into account the depredations of these consortia, and their powerful corruptive influence on public institutions in rich and poor countries alike. The peoples affected oppose such exploitation, and demand that the governments concerned should cease to leave part of their external economic policy in the hands of private enterprises, which arrogate to themselves the role of agents promoting the progress of the poorer countries, and have become a supranational force that is threatening to get completely out of control.

This undeniable fact has profound implications for the proceedings of the present Conference. There is a serious risk that even if we arrive at satisfactory understandings among the representatives of sovereign states, the measures upon which we agree may have no real impact, inasmuch as *de facto* these companies handle quietly the practical application of the agreements in conformity with their own interests.

We spend our time at international meetings discussing the visible features of the Third World's structure of dependence, while its deep-lying determinants slip by us unseen, like the submerged three-quarters of an iceberg.

UNCTAD should look very carefully into this threat. This flagrant intervention in the internal affairs of states is more serious, more subtle and more dangerous than that of governments themselves, which is condemned in the Charter of the United Nations. The corporations actually seek to upset the normal functioning of the governments and institutions of other nations, to start world-wide campaigns against the prestige of a government, to make it the victim of an international boycott and to sabotage its economic relations with the rest of the world. Recent and well-known cases, which have shocked the world, and by which we are directly affected, sound the alarm for the international community, which is under an imperative obligation to react with the utmost vigour.

REFLECTIONS ON SOME CRUCIAL PROBLEMS

I now want to turn to other problems. It is for the delegations attending this Conference to put forward whatever solutions they may deem appropriate. Not only is there abundant documentation prepared by the United Nations, but also – and of particular importance – the Lima Declaration, Principles and Programme of Action. This document constitutes 'the unified expression of the shared hopes and aspirations of mankind, as expressed by the representatives of the vast majority of mankind', which should 'go a long way in evoking favourable response from the international community and, in particular, from the peoples and governments of the developed world'. It is for you to meet all the legitimate demands which the Action Programme embodies.

They are all of vital importance. I would stress the problems relating to primary commodities because they are

of basic interest to the great majority of the participants.

For my own part, I only want to place before the meeting some of the points that concern me, as Chief of State of one of the Third World countries, with respect to certain items on the agenda.

It is impossible for all the industrialized countries to respond alike. Their resources and means of action are different, nor have they all had the same share of responsibility in the creation and maintenance of the existing international order. For example, neither the socialist countries nor all the small and medium-sized countries have contributed to the generation of this irrational division of labour.

Reforms of the Monetary and Trade Systems

The first of my anxieties relates to the danger that the restructuring of the international monetary and trade systems may once again be carried out without the full and effective participation of the countries of the Third World.

In connection with the monetary system, and particularly since the crisis of last August, the developing countries have recorded their protest in all world and regional meetings. They had no responsibility whatever for the breakdown of monetary and trade machinery in whose management they had taken no part. Time and again they have urged that a monetary reform must be jointly prepared by all the countries of the world; that it must be based on a more dynamic concept of world trade; that it must recognize the new requirements of the developing countries and that never again must it be handled exclusively by some few privileged countries.

It is of vital importance that the Conference should unhesitatingly and unreservedly reaffirm these objectives.

True, the details of a new system can be completed in other more specialized gatherings. But so close is the connection between monetary problems and trade relations, as the

crisis of last August testified, that it is the duty of UNCTAD to discuss the subject in depth and to see that the new monetary system, studied, prepared and administered by the whole of the international community, will also serve to finance the development of the Third World countries, alongside the expansion of world trade.

In respect of the indispensable trade reform there are some grounds for alarm. A few weeks ago the United States and Japan, on the one hand, and the United States and the European Economic Community, on the other, sent respective memoranda to GATT. These two almost identical documents declare that the sponsors pledge themselves to launch and actively support the conclusions and implementation of integral agreements under GATT as from 1973, with a view to the expansion and liberalization of international trade. They add that, furthermore, their aim is to improve the level of living of all peoples, and that ways of achieving this include, among others, the progressive lowering of trade barriers, and endeavours to improve the international framework within which trade is carried on.

It is, of course, satisfactory that three great centres of power should decide to subject their international economic relations to a thorough overhaul, taking into account the improvement of the levels of living of all peoples. It is also laudable that they should mention the need to reorientate trade policy through international or regional agreements making for market organization. But it does not escape our observation that the liberalization of trade among the industrialized countries of the West wipes out at a stroke of the pen the advantages of the general system of preferences for the developing countries.

And what we find most disquieting is that the three great economic powers are proposing to implement this policy not through UNCTAD but through GATT. The General Agreement on Tariffs and Trade has always been essentially

concerned with the interests of the powerful countries; it has no reliable linkage with the United Nations and is not obliged to adhere to its principles, and its membership is at odds with the concept of universal participation.

I think that the developed countries should put an end to these continual onslaughts against UNCTAD, which is the world community's most representative body in this field, and affords exceptional opportunities for negotiating major economic and trade questions on a footing of legal equality. The developing countries, in contrast, wish to perfect the existing institution and broaden its authority. It is essential that UNCTAD should acquire full autonomy and become a specialized agency of the United Nations system, so that it can exercise greater freedom of action, greater influence, greater capacity to solve those crucial problems which fall within its province. We peoples of the Third World, who did not speak out at Bretton Woods or at the later meetings where the financial system now in force was drawn up, who do not participate today in the decisions of the Ten on the financial strategy of the great Western powers; we who have no voice in discussions on the restructuring of the world monetary system; we need an efficacious instrument to defend our threatened interests. At the present time, this instrument can only be UNCTAD itself, converted into a permanent organization.

The Overburdening of the Developing Countries by Debt

My second concern relates to the external debt. We developing countries already owe more than $70,000 million, although we have contributed to the prosperity of the wealthy peoples from time immemorial, and more particularly in recent decades.

External debts, largely contracted in order to offset the damage done by an unfair trade system, to defray the costs of the establishment of foreign enterprises in our territory, to

cope with the speculative exploitation of our reserves, constitute one of the chief obstacles to the progress of the Third World. The Lima document and Resolution 2,807 of the most recent General Assembly of the United Nations dealt with the question of indebtedness. The latter resolution took into consideration, *inter alia*, the increasingly heavy burdens imposed by debt servicing on the countries of the Third World, the weakening of gross transfers of resources to the developing countries and the deterioration of the terms of trade. It emphatically requested the competent financial institutions and the creditor countries concerned to give sympathetic consideration to requests for rescheduling or consolidation of their debts with appropriate periods of grace and amortization, and reasonable rates of interest. It also invited the same countries and institutions to examine more rational ways of financing the economic development of the Third World. All this is highly satisfactory for us.

I believe it is indispensable to make a critical study of the way in which the Third World's external debt has been contracted and the conditions required to rescue it from this position without impairing its efforts to combat underdevelopment. Such a study might be undertaken by the Secretary-General of UNCTAD and presented to the General Assembly of the United Nations.

At the present time Chile exemplifies the seriousness of the situation. Our total annual income is $1,200 million. This year we are due to pay $408 million. It is inconceivable that out of every hundred dollars that flow into its coffers a country should have to earmark 34 for the servicing of its external debt.

Pressures to Prevent the Exercise of the Right to Dispose Freely of Natural Resources

My third concern is directly connected with the second. It relates to the real and potential pressure exerted to restrict the

sovereign right of peoples to dispose of their natural resources for their own benefit. This right has been proclaimed in the Covenants on Human Rights, in several resolutions of the General Assembly and in the First General Principle adopted at the first session of UNCTAD.

In the Lima Declaration the Group of 77 very clearly formulates an additional principle for the defence of our countries against threats of this kind. We need to raise it from the status of a principle to that of a ruling economic practice. It reads as follows: 'The recognition that every country has the sovereign right freely to dispose of its natural resources in the interests of the economic development and well-being of its own people; any external, political or economic measure or pressure brought to bear on the exercise of this right is a flagrant violation of the principles of self-determination of peoples and of non-intervention, as set forth in the United Nations Charter, and, if pursued, could constitute a threat to international peace and security.'

Why did the developing countries wish to be so explicit? The history of the past fifty years abounds in examples of direct or indirect coercion, military or economic – cruel for those who suffer it and degrading for those who inflict it – designed to prevent the underdeveloped countries from making free use of their basic resources which represent the daily bread of their inhabitants. Mexico, Central America and the Caribbean have known it. The case of Peru, in 1968, elicited an uncompromising retort from the Latin American countries at a meeting of the Special Committee on Latin American Co-ordination (CECLA) – witness the Consensus of Viña del Mar.

Chile has nationalized copper, the basic resource which accounts for over 70 per cent of its exports. Little weight has been carried, however, by the fact that the nationalization process, with all its implications and consequences, has been the clearest and most categorical expression of the will of its

people, and has been conducted in full accordance with the exact dictates of provisions established in the nation's Constitution. Little weight has been carried by the fact that the foreign companies which exploited the mines have drawn profits many times greater than the value of their investments. These companies, which amassed huge fortunes at our expense, and assumed that they had the right to burden us indefinitely with their presence and their abuses, have stirred up forces of every kind, including those of their own state institutions, in their country and elsewhere, to attack and injure Chile and its economy.

I am unwilling to leave this unpleasant subject without singling out, among the forms of pressure to which we have been subjected, two whose impact transcends the violation of the principle of non-intervention.

One is designed to prevent Chile from obtaining new terms and new time limits for the payment of its external debt. I imagine our creditors will not countenance it. Friendly countries are not likely to lend themselves to forcing down still farther our people's low level of living. It would be an injustice, a tragic injustice.

The other type of pressure seeks, by virtue of a law on foreign aid adopted by one of the biggest contributors to the International Bank for Reconstruction and Development (IBRD) and to the Inter-American Development Bank (IDB), to make those banks' financial assistance to Chile conditional upon our applying policies which would infringe constitutional principles governing the nationalization of copper. Of these two banks, one is linked to the United Nations and the other to the Organization of American States, whose official principles and objectives forbid them to accept terms such as these.

If policies like these were implemented, they would deal a death-blow to international co-operation for development and would destroy the very basis of the multilateral financing

systems to which many countries, in a co-operative effort, contribute as far as they can. Such policies imply the downfall of conceptions which embodied a sense of world-wide solidarity, and spotlight the naked fact of ulterior motives of a sheerly commercial order. This would set the clock back a hundred years.

Remarks on Access to Technology

I would also draw the attention of this meeting to the urgent need for the Third World to have access to modern science and technology. The obstacles we have encountered hitherto are determinants of our underdevelopment.

Industrialization, as an essential part of the overall development process, is closely related to a country's scientific and technical creative capacity, whereby industrial development can be adjusted to the real characteristics of each region, whatever its present stage of economic growth.

Today, our capacity for the creation of technology is far from adequate, as the result of our history of dependence. For example, our research projects follow the theoretical models of the industrialized world. They are inspired more by the real conditions and needs of the developed countries than by those of their own. And with steadily increasing frequency, thousands of scientists and professionals leave their native lands to work in the affluent countries. We export ideas and skilled personnel; we import technology and dependence.

To find a solution for this basic problem that would enable us to finish with technological subordination is a difficult, slow and costly process. We are faced with two possibilities.

On the one hand, we can continue to base our industrial development on foreign investment and technology, intensifying more and more the dependence which is threatening to turn us back into colonies. Latin America has enjoyed a long period of buoyant optimism deriving from the policy of industrial development through import substitution. In other

words, the installation of factories for local production of what had formerly been imported, an operation which was subsidized with costly fringe benefits: exchange facilities, customs protection, loans in local currency and government guarantees for financing from abroad. Experience has shown that this type of industrialization – promoted mainly by international corporations – has proved to be a new instrument of recolonization. Its harmful effects include the establishment of a technician-manager stratum which has grown increasingly influential, and has become a defender of the foreign interests which it has identified with its own. Still more serious have been the social effects. The big industrial plants, using advanced techniques, give rise to serious unemployment and underemployment problems, and bankrupt small- and medium-scale domestic industries. We should also mention the tendency to concentrate on industries producing consumer goods which are of use to only a limited group of privileged persons, and indirectly create conspicuous consumption tastes and patterns, to the detriment of the values characteristic of our culture.

The other possibility consists in creating or strengthening our own scientific and technological capacity, resorting in the meantime to a transfer of knowledge and methods firmly supported by the international community, and prompted by a humanistic philosophy which sets up the human being as its major objective.

At present, this transfer takes the form of trade in a merchandise which appears under different guises: technical assistance, equipment, production processes, etc. This commerce is conducted on certain explicit and implicit terms which are extremely unfavourable to the buyer country, especially if it happens to be underdeveloped. In 1968, for instance, Latin America disbursed over $500 million under the head of purchase of technology alone.

These conditions must be abolished. We must be able to

select technology in relation to our own needs and our own development plans.

Towards Solidarity in the World Economy

What can be done in these circumstances? The world as it is, with all its injustice towards the underdeveloped countries, cannot be changed overnight. We have no choice but to continue the struggle to mitigate the negative effects of this state of affairs and lay the foundations for constructing what I would call a solidary world economy.

The present international conjuncture is favourable for endeavouring to change the economic order. Perhaps this is an over-optimistic appraisal, but the truth is that international events in the last few decades have resulted in a gradual accumulation of factors which have finally crystallized into a new opportunity. The most striking feature is the possibility offered to the world of more self-respecting international relations, free from submission and despotism alike. There is understanding between the capitalist world powers; there is co-existence and dialogue between these and the socialist countries.

Could something similar develop between the former colonizing and imperialist countries on the one hand, and the dependent peoples on the other? The future will tell whether we peoples of the Third World will gain recognition for our rights through the restructuring of international trade and the establishment of relations that are fair to each and all. The latter, it must be emphasized, may be the more delicate and thorny question.

It is for the delegations present at the third session of UNCTAD to ask themselves on what bases it would be possible to organize a new form of human co-existence, founded at last on solidarity, after the long-drawn-out history of oppression we have lived and still are living through.

Let me say, however, that in my own opinion one of these

bases might be disarmament on lines that would lay the foundations for a solidary economy on a world scale, although some believe that this is beyond the bounds of possibility.

For the socialist economies, the prospect of peaceful development is their fundamental historical aspiration. Once peace has been firmly established, they will be able to play a more active part in multilateral co-operation and to supply the world market with technical and productive resources which would play a decisive role in their own prosperity and would make an effective contribution to the success of the Third World in overcoming the distorting effects of centuries of exploitation.

In view of the experience of recent years, I do not think that the capitalist countries should seek to perpetuate such ideas as colonialism and neo-colonialism, and to persist in the maintenance of an economy for war in order to ensure full employment. Only the Third World, with its immense needs, can constitute a new economic frontier for the developed countries. Only such a new frontier is capable – more so than a war economy – of absorbing the production capacity of the large companies and giving employment opportunities to the whole of the labour force. I should like to believe that enlightened leaders, aware of the radical changes that lie ahead, are beginning to give serious thought to new solutions, in which the Third World and the socialist countries will participate fully.

Fund for Homogeneous Human Development

It is essential to make a determined search for an economically viable equation between the vast needs of the poorer nations and the immense production capacity of the richer countries. The solution might be found in a strategy of pacification, through a disarmament plan under which a high percentage of the expenditure hitherto allocated to munitions and warfare would be assigned to a fund for homogeneous human

development. This fund could be available primarily for long-term loans to enterprises in the same countries that set it up.

As the amount spent every year on war and armaments nowadays exceeds $220,000 million, potential resources exist that would be more than enough to start shaping a solidary world economy.

The objectives pursued would be to turn a war economy back into a peace economy and, concurrently, to contribute to the development of the Third World. The fund would finance major projects and programmes for these countries, of a kind such as would absorb the manpower released by the reduction of expenditure on armaments, would produce enough to cover their costs, and, above all, would be set up as autonomous national companies capable of sustained growth. At the same time, it would launch a new era of continuing economic development; of full employment of the factors of production, including the whole of the labour force; and, above all, of progressive bridging of the gulf between the prosperous nations and the despoiled peoples.

This is not a utopia. In the world of today, which must co-operate or perish, new ideas, prompted not only by justice but invariably by reason, may result in worthwhile solutions for the human race.

To the delegations here present I would say that I wish them every success in their work. Chile will do all it can to contribute to that end, taking advantage of all the opportunities afforded it by its position as host to facilitate contacts and create a climate favourable to understanding. Its delegates will not seek unnecessary clashes of opinion, but fruitful agreements.

The passionate fervour that an entire people has put into the construction of this building is a symbol of the passionate fervour with which Chile desires to contribute to the construction of a new humanity, so that in this and in the other continents, hardship, poverty and fear may cease to be.

I dare to believe that this Conference will give positive answers to the anguished questionings of millions of human beings. Not in vain has the long journey to this distant country been made by the most distinguished economic leaders of almost all the countries of the world, including those that have most power to turn the course of events.

Of one thing at least you can be certain: as was said at Lima, the peoples of the world will not allow poverty and affluence to exist indefinitely side by side. They will not accept an international order which will perpetuate their backward state. They will seek and they will obtain their economic independence and will conquer underdevelopment. Nothing can prevent it: neither threats, nor corruption, nor force.

Upon the urgently needed transformation of the world economic structure, upon the conscience of countries, it depends whether the vast underdeveloped world, in its quest for progress and liberation, will choose the path of co-operation, based on solidarity, justice, and respect for human rights; or whether, on the contrary, it will be forced to take the road of conflict, violence and suffering, precisely in order to impose the principles of the Charter of the United Nations.

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